

HOUSE OF REPRESENTATIVES—Friday August 1, 1986

The House met at 10 a.m. and was called to order by the Speaker pro tempore [Mr. WRIGHT].

DESIGNATION OF SPEAKER PRO TEMPORE

The SPEAKER pro tempore laid before the House the following communication from the Speaker:

WASHINGTON, DC,

July 31, 1986.

I hereby designate the Honorable JIM WRIGHT to act as Speaker pro tempore on Friday, August 1, 1986.

THOMAS P. O'NEILL, Jr.,

Speaker of the House of Representatives.

PRAYER

The Chaplain, Rev. James David Ford, D.D., offered the following prayer:

Almighty God, we recognize how we so easily understand those who are like us, so may we also seek to understand those who are of differing societies and cultures. We appreciate, O God, our heritage and history, but we also know that You are the God of all peoples, that You are the Creator of all humankind. Help us, gracious God, so to live our lives in harmony and peace. Amen.

THE JOURNAL

The SPEAKER pro tempore. The Chair has examined the Journal of the last day's proceedings and announces to the House his approval thereof.

Pursuant to clause 1, rule I, the Journal stands approved.

MESSAGE FROM THE SENATE

A message from the Senate by Mr. Hallen, one of its clerks, announced that the Senate had passed without amendment concurrent resolution of the House of the following title:

H. Con. Res. 374. Concurrent Resolution relative to adjournment to a date certain during the remainder of the 99th Congress.

ANNOUNCEMENT BY THE SPEAKER PRO TEMPORE

The SPEAKER pro tempore. In view of the commitments made to Members for an adjournment time today and the schedule pending before us, the Chair will announce it will take 1-minute statements later in the day.

PROVIDING FOR CONSIDERATION OF H.R. 4428, DEFENSE AUTHORIZATION ACT FOR FISCAL YEAR 1987

Mr. PEPPER. Mr. Speaker, by direction of the Committee on Rules, I call up House Resolution 523 and ask for its immediate consideration.

The Clerk read the resolution, as follows:

H. Res. 523

Resolved, That at any time after the adoption of this resolution the Speaker may, pursuant to clause 1(b) of rule XXIII, declare the House resolved into the Committee of the Whole House on the State of the Union for the consideration of the bill (H.R. 4428) to authorize appropriations for fiscal year 1987 for the Armed Forces for procurement, for research, development, test, and evaluation, for operation and maintenance, and for working capital funds, to prescribe personnel strengths for such fiscal year for the Armed Forces, and for other purposes, and the first reading of the bill shall be dispensed with. After general debate, which shall be confined to the bill and to the amendments made in order by this resolution and which shall continue not to exceed three hours, to be equally divided and controlled by the chairman and ranking minority member of the Committee on Armed Services, the bill shall be considered for amendment under the five-minute rule. It shall be in order to consider the amendment in the nature of a substitute recommended by the Committee on Armed Services now printed in the bill, as modified by deleting section 601 thereof and renumbering sections 602 and 603 accordingly, as an original bill for the purpose of amendment under the five-minute rule, and all points of order against said substitute for failure to comply with the provisions of clause 7 of rule XVI and clause 5(a) of rule XXI are hereby waived. Before said substitute is considered by title for amendment and before the consideration of any other amendments, it shall be in order to consider the amendments designated in section two of this resolution, only in the order listed, and said amendments shall be considered as having been read. The chairman of the Committee on Rules is authorized and directed to file in the House a supplemental report on this resolution, on Monday, August 4, 1986, containing the texts of the amendments designated in section two which are required to be printed in said reports. Said reports shall be considered to be reports of the Committee on Rules, and the chairman of the Committee on Rules shall have until midnight on Monday, August 4 to file such report. Amendments required to be printed in Monday's report should be submitted to the chairman of the Committee on Rules by 12 o'clock noon on Monday, August 4, 1986. After the disposition of the amendments designated in section two of this resolution, the Committee of the Whole shall rise without motion, and no further amendment to the bill shall be in order except as subsequently determined by the House.

Sec. 2. The amendments are as follows:

(1) It shall first be in order to consider an amendment, if offered by the chairman of the Committee on Armed Services or his designee, inserting a new Division D in the committee substitute, as modified, containing the text of the committee amendment in the nature of a substitute recommended by the Committee on Armed Services now printed in the bill H.R. 4370 to amend title 10, United States Code, to reorganize the Department of Defense, and revising section, title, and division designations accordingly. Before the consideration of any amendments to said amendment, it shall be in order to debate said amendment for not to exceed two hours, to be equally divided and controlled by the proponent of the amendment and a Member opposed thereto. It shall then be in order to consider said amendment as original text for the purpose of amendment under the five-minute rule, but debate on each amendment, or on each amendment thereto, shall continue not to exceed twenty minutes, to be equally divided and controlled by the proponent of the amendment and a Member opposed thereto.

(2) It shall then be in order to consider an amendment, if offered by Representative Mavroules of Massachusetts or his designee, containing the text of the amendment printed in the initial report of the Committee on Rules on this resolution, relating to procurement reform, and all points of order against said amendment for failure to comply with the provisions of clause 7 of rule XVI and clause 5(a) of rule XXI are hereby waived. Immediately after said amendment is offered, it shall be in order for Representative Dickinson of Alabama or his designee to offer a substitute for said amendment printed in the supplemental report of the Committee on Rules on this resolution filed in the House on Monday, August 4, 1986. Before the consideration of any amendments to said amendments, it shall be in order to debate said amendments for not to exceed two hours, to be equally divided and controlled by the proponents of said amendments. At the conclusion of said debate said amendments shall be considered for amendment under the five-minute rule, but no amendment to the amendment or to the substitute shall be in order except amendments printed in the supplemental report of the Committee on Rules on this resolution filed in the House on Monday, August 4, 1986. Debate on each such amendment shall continue not to exceed twenty minutes, to be equally divided and controlled by the proponent of the amendment and a Member opposed thereto. At the conclusion of three hours after consideration of amendments to the amendment and to the substitute commences, no further debate or amendment thereon shall be in order, and the Chair shall put the question on the pending amendment or amendments.

Mr. PEPPER. Mr. Speaker, I yield 30 minutes to the able gentleman from Ohio [Mr. LATTI] for purposes of debate only and, pending that, I yield myself such time as I shall consume.

□ This symbol represents the time of day during the House proceedings, e.g., □ 1407 is 2:07 p.m.

Matter set in this typeface indicates words inserted or appended, rather than spoken, by a Member of the House on the floor.

Mr. Speaker, House Resolution 523 is a modified open rule providing 3 hours of general debate to be equally divided between the chairman and the ranking minority member of the Committee on Armed Services.

The rule makes in order the Committee on Armed Services amendment in the nature of a substitute now printed in the bill as original text to be considered by title, with each title considered as read. The substitute is considered to have been modified by deleting section 601 and renumbering sections 602 and 603. Clause 7 of rule XVI and clause 5(a) of rule XXI are waived against the substitute. Clause 7 of rule XVI prohibits nongermane amendments. Because the substitute recommended by the Committee on Armed Services is broader in scope than the bill as originally introduced, the germaneness waiver is necessary.

Clause 5(a) of rule XXI prohibits appropriation in a legislative bill.

Mr. Speaker, the rule provides that before the substitute is considered by title and before the consideration of any other amendments, it shall be in order to consider amendments designated in section 2 of this resolution. The amendments are to be considered as read and are to be offered only in the order listed in the rule.

The rule authorizes the chairman of the Committee on Rules to file a supplemental report on Monday, August 4, 1986, containing the text of the amendments designated in section 2 of this resolution.

After the disposition of those amendments, the rule provides that the committee shall rise without motion, and no further amendment to the bill is in order except as subsequently determined by the House.

Mr. Speaker, the following amendments are made in order: first, the amendment by Representative ASPIN or his designee containing the text of the committee amendment in the nature of a substitute to H.R. 4370, a bill reorganizing the Department of Defense. The amendment is debatable for 2 hours. Amendments to the amendment are debatable for 20 minutes each.

The second amendment to be offered is an amendment by Representative MAVROULES or his designee printed in the initial report of the Committee on Rules. The rule waives clause 5(a) of rule XXI and clause VII of rule XVI against the Mavroules amendment.

Immediately after the Mavroules amendment is offered, the rule makes in order an amendment printed in the August 4, 1986 supplemental report by Representative DICKINSON or his designee. The two amendments are debatable for 2 hours, divided and controlled by the proponents of the amendments.

Amendments printed in the supplemental report of August 4, 1986, to the Mavroules and Dickinson amendment can then be offered. Each such amendment is debatable for 20 minutes. After the conclusion of 3 hours of consideration of amendments, the rule states that no further debate or amendment shall be in order, and the Chair shall put the question on the pending amendment or amendments. Amendments to Mavroules and the Dickinson substitute will be brought to the Rules Committee before noon on Monday, August 4, to be included in the supplemental report of the Committee on Rules. The supplemental report will be filled by noon. Mr. Speaker, the rule reflects an understanding between parties on how to deal with amendments to the Department of Defense reorganization and procurement reform.

□ 1015

I want to commend in the warmest way the majority and the minority for the splendid spirit of cooperation and grave concern for the public interest and the interest of the House, and the way they worked together in advising the Rules Committee about preparation of this rule.

After these two issues have been considered, it is the intention of the Rules Committee to reconvene and report out another resolution providing for the further consideration of H.R. 4428, the Department of Defense authorization bill.

Mr. Speaker, this is not the last rule on the National Defense Authorization Act of 1986. This rule only gets things started. The agreement between the parties relates to the calendar through Tuesday, but they have not yet arrived at agreement relative to the calendar beginning the following Wednesday. That is the reason the Rules Committee is going to meet again on Monday or Tuesday for the promulgation of further governing the last phases of the debate upon this important matter.

This rule not only gets things started, it provides for general debate and then structures discussion on the two major issues, Department of Defense reorganization and weapons procurement.

All of the Members of the House are aware of the need to provide as best we can so that the debate on this bill shall not be drawn out beyond the terms of reasonableness or beyond the calendar possibilities available for legislation. There are other issues to be discussed. Members should be aware that the Rules Committee will be meeting next Wednesday to craft a rule permitting debate on other amendments. To provide for orderly consideration, the Rules Committee must see the amendments in advance of the meeting. I do want to emphasize

to Members that it will be necessary that amendments that ought to be considered and provided for by the Rules Committee will have to be filed by noon on Monday with the Rules Committee.

I take this opportunity, therefore, to notice all Members that the Rules Committee asks Members wishing to offer amendments to the bill to submit their amendments to the Rules Committee by 5 p.m. on Tuesday, August 5, 1986. This morning I sent a "Dear Colleague" letter to all Members to that effect explaining that the Rules Committee will only consider amendments that have been submitted by 5 p.m. Tuesday, August 5. That means amendments to come up Wednesday and thereafter in the debate on this bill.

Mr. Speaker, we tried to provide a fair rule. We have worked in consultation with the majority and the minority on the Armed Services Committee, and we have tried to be cooperative with the leadership of the House. Therefore, I urge the Members to support the rule.

Mr. WALKER. Mr. Speaker, will the gentleman yield?

Mr. PEPPER. I yield to the gentleman from Pennsylvania.

Mr. WALKER. Mr. Speaker, I thank the gentleman for yielding.

In the rule in at least two places we are waiving clause 5(a) of rule XXI, which is the rule of the House which prohibits committees other than the Appropriations Committee from appropriating money.

Can the gentleman tell me where the appropriations are in this bill that we are waiving, what they are and whether or not the fall within the 302 allocations for the Defense Department?

Mr. PEPPER. There are certain sections of the bill with respect to waivers that were necessary. We granted a waiver on those sections.

Mr. WALKER. If the gentleman will yield further, the problem that this gentleman has is, under the Budget Act, we have set some fairly stringent levels for defense expenditure. That means that the 302 levels under the Budget Act and what the Appropriations Committee will be permitted to bring out here will be very, very tight and will impact upon our priorities.

Now we have a bill coming to the floor where the Armed Services Committee is evidently going to do some appropriating of its own down inside the bill, and it seems to me that that would have a direct impact then on the 302 allocation available to the Appropriations Committee that, therefore, could have a fairly significant impact downstream on the ability of the Appropriations Committee to meet certain defense priorities.

What I am trying to figure out is just what we have waived here and what that means relative to the 302 allocation for the Defense Department.

Mr. ASPIN. Mr. Speaker, will the gentleman yield?

Mr. PEPPER. I yield to the gentleman from Wisconsin.

Mr. ASPIN. Mr. Speaker, let me explain a little bit about the bill.

As the gentleman knows, the authorization bill does not have to legally meet the targets of the budget resolution. It has by custom met the targets of the budget resolution, but really it is the appropriation bill that really has to make the targets in the budget resolution.

But as it has developed, we have made the target just because the pressure on the House floor for us to make the target.

This year we have a very unusual situation, in that the budget resolution conference report has two numbers in it which are somewhat inconsistent. We have a BA number, which is at 292 in the budget resolution for defense; and an outlay number of 279. The trouble is you cannot get there from here. You cannot get a BA number of 292 consistent with a budget outlay number of 279 without totally distorting the defense budget.

What the committee did was mark to the 292, which is the BA number in the budget resolution, and consequently we are going to bring to the floor a bill that is over in outlays, about \$6 billion too high in outlays.

There will be an amendment offered on the floor as part of the budget debate not in this rule that we have now but in the followup rule. There will be an amendment offered that will bring the whole thing down to the outlay number of 279. It, of course, will mean that we do not go as high as the Budget Committee would have allowed us on the budget authority. So we will bring in a 279 outlay number, but it will be maybe \$7 billion or \$8 billion less than the 292 allowed in the budget.

Mr. WALKER. Mr. Speaker, if the gentleman from Florida will yield further, I am still not getting an answer to my question. I understand what the gentleman has just told me.

My problem is that we are waiving rule XXI, clause 5, which relates to allowing the authorizing committee to do appropriating in this bill. The gentleman from Wisconsin has just explained to us why I have my concern. The gentleman has explained to us that he is bringing a bill to the floor that is not in compliance with the Budget Act. However, the Appropriations Committee will have to be in compliance with the Budget Act, and now we are appropriating in a bill other than an appropriations bill, and I am trying to figure out just what it is we are doing and no one seems to be

able to answer the question. I would like to know what appropriations are in here, what the level is, and how much money we are talking about.

Mr. PEPPER. Mr. Speaker, I would say to the gentleman the two 5(a) waivers are, one, to allow the Department of Defense to accept and then spend money for defense dependents' education by accepting and spending. There is technically an appropriation and a waiver is necessary because it is an appropriation on an authorization bill.

Mr. WALKER. If the gentleman will yield further, that is very helpful. That is what I was looking for.

Is that the case in both of the rule XXI, 5(a) waivers? It appears to me that that might be the case on page 2. Is that also the case with regard to the amendment that would be offered by Mr. MAVROULES on page 4?

Mr. PEPPER. I would say to the able gentleman that the other waivers are what we consider relatively minor matters comparable to this, the one that I have just given the gentleman.

Mr. WALKER. And in no cases are we appropriating moneys that would typically be within the jurisdiction of the Appropriations Committee to allocate priorities?

Mr. PEPPER. Certainly not in any major respect. There might be a minor incident.

Mr. ASPIN. Mr. Speaker, will the gentleman yield?

Mr. PEPPER. I yield to the gentleman from Wisconsin.

Mr. ASPIN. Mr. Speaker, as I understand it, just checking with staff here, the only thing we are doing that affects the appropriations are some land transfers and some transfers from the national defense stockpile in which, under the land transfers, some land is being sold and other land acquired. There is no net increase or decrease, a wash. And from the national stockpile transactions, some items in there, silver, for example, are being sold and other national commodities are being bought. Again, there is no effect on the budget.

Mr. PEPPER. Mr. Speaker, I want to supplement what the chairman said. No new budget authority is involved on the bill; only technical uses of funds already appropriated.

□ 1025

Mr. WALKER. If the gentleman would yield further, now we are getting some fairly interesting explanations, because it is this gentleman's understanding that as a part of the reconciliation process that we are looking at in just a few days, one of the things being looked at for reconciliation was in fact the national stockpile issue, and we were also looking at some land sales as a part of the reconciliation. Now I gather what we are doing in this bill is we are impacting

upon our ability to do some of those things in reconciliation by waiving rule XXI in order to place those things in this particular bill.

Mr. ASPIN. If the gentleman will yield, we do not have any reconciliation actions here in our part of the bill. This would not affect our ability to conduct reconciliation if we should so choose on those issues. They are talking about public lands, not military lands.

Mr. WALKER. If the gentleman from Florida will yield further, we are talking, I think, in at least some versions of reconciliation around here of doing something on the national stockpile on silver that the gentleman just mentioned a moment ago.

Mr. ASPIN. If the gentleman will yield, we are not being asked to do anything. The DOD is not being asked on that reconciliation. It does not come into us.

Mr. WALKER. If the gentleman will yield, I do have concerns. I think there is something a little fishy here.

I thank the gentleman again for yielding.

Mr. LATTA. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, today we consider the rule on a very important piece of legislation, the Defense authorization bill. I want to stress the importance of this legislation.

This bill will affect the character and the capabilities of our defense establishment. While I am sure we will consider it with the gravity that such legislation demands, I must candidly admit that I remain concerned that some among us will mistake this occasion for an opportunity to express their concerns on other matters.

I say to each one of my colleagues that the question before us is not an economic one, not a social one, but a question of security of the United States of America; of freedom, and yes, of peace.

I look at the President's request for the resources needed to equip our patriotic Americans who have chosen to wear the uniform of our country, and I look at the figure contained in this authorization bill, my concern with defense is heightened by the disparity between the two.

I conclude that this bill fails our President in his effort to maintain the military forces of the United States at a level of readiness and capability required for continued prosperity, freedom and world peace.

Certainly in marking to the limit of their authority under the budget resolution, the Armed Service Committee is to be commended. Likewise, I applaud the wisdom of their decision to recommend a very modest cost-of-living increase for our uniformed citizens.

This decision demonstrates to Americans in uniform that we understand and appreciate the rigors and sacrifices inherent in a life of service to the Nation. In so doing, this bill will make a positive contribution to ensuring that we maintain the high standards of quality now evident in the ranks of soldiers, sailors, airmen and marines.

Still, I must confess to having very serious reservations about cutting so drastically from the President's defense request. This bill, in the judgment of those in a position to know, does not provide the resources needed to maintain a high quality, high confidence defense for the United States of America.

This House must understand how defense capabilities will be affected by the shortfall in defense resources represented in the authorization bill. We must understand that continued deep cuts in the defense budget will ultimately leave us short of the forces required to accomplish the range of defense missions that we have deemed vital to our national interest. We must put ourselves in a position of having to make very dangerous choices between such essentials as high confidence in nuclear deterrence or conventional readiness. The choices of which allies to protect and which to abandon; between readiness today or building a foundation for defense of future generations of Americans.

Rather than embodying a congressional list of defense priorities, the current authorization proposal simply cuts everything. There are several specific problems with the bill.

Ongoing programs are slashed without regard for efficiency or military need. The current proposal will reduce procurement of Navy ships and tactical fighters that underwrite our conventional capability. There is a great risk here: Less mobility and reduced air support for our soldiers. Further, pilots will be less well prepared for combat because of cuts in operation and maintenance funding mean reduced flying hours, less proficiency training, and fewer realistic exercises.

The risk will be compounded by reduced numbers of infantry support vehicles, delays in procuring a new radio and a failure to achieve desired stockpiles of ammunition and other stock.

But that is not all. Our strategic deterrent forces will also suffer. For the fourth year in a row, we will fail to fulfill the previous year's agreement for the acquisition of Peacekeeper missiles. In addition, we will drop the only Trident submarine requested for 1987.

To our constituents these changes may not sound like much, indeed, they may sound popular. But we know something they do not. We know that we will eventually need all of these things and when we eventually require these systems, it will be even more ex-

pensive than it would have been this year.

Even more telling is that we will be unable to achieve the size of our forces required for the future. The elimination of 9 ships from this year's budget request reduces annual ship construction to a level that will make it impossible to attain the 600-ship fleet required for defense.

The Air Force faces similar problems. Procuring fewer tactical aircraft per year even threatens the force we already have.

In addition to the cuts mandated in the near term, this authorization bill would deliver a massive cut to our research and development effort. It cuts from the Strategic Defense Initiative, which is the first real effort to free our children from the threat of enemy nuclear missiles. Overall, this proposal will cut 18 percent from the research and development effort that is the very foundation upon which the future security of our Nation depends.

In short, this bill reflects no priorities or order for defense. It is simply a bill designed to make cuts.

The bill will also hamper our effort to improve the Defense Department's management and acquisition. The Packard Commission's most significant and fundamental recommendation was that defense programs must be stabilized. Production rates must be set and maintained year after year at the most efficient levels possible. Multiyear procurement contracting must be used to achieve the efficiencies and reduce costs possible from quantity purchases; and other efficiency-enhancing procedures must be strictly adhered to.

But this bill turns its back on those recommendations. It reduces production rates below economic levels. Additionally, it limits the benefit of multiyear procurements.

The resulting stretchout of needed weapons systems will not only delay deployment of systems needed by our troops, but will end up costing the taxpayer more for the same defense capability.

DOD has estimated, for example, that the cost of the Patriot missile will increase by \$200 million, and the F-16, a system that achieved remarkable cost reductions in the past, by \$409 million.

Finally, most amazing to me, is that during a time of austerity, this bill funds items not requested or needed by the Defense Department. National Guard facilities in home districts; some \$151 million for the procurement of 12 new T-46 trainer aircraft that the Air Force did not include in its request. And \$200 million to keep the B-1 production line open beyond the 100 aircraft limit set by DOD.

Certainly there are flaws in this bill and hopefully they will be corrected during the debate and the amendment

process that we will go through. But we are dealing with such an important and dangerous issue, we cannot afford to take it lightly. I must applaud the action taken by the majority and the minority on attempting to reduce the strung-out debate that we had some time back on this piece of legislation which took 3 weeks, and certainly we do not have 3 weeks now to consider this bill.

□ 1035

So every moment on this floor that we will have to debate this bill during this period of time will be important to the defense of this country.

Mr. COURTER. Mr. Speaker, will the gentleman yield?

Mr. LATTA. I am happy to yield to the gentleman from New Jersey.

Mr. COURTER. Mr. Speaker, I thank the gentleman for yielding.

Perhaps I can get the attention of the gentleman from Florida [Mr. PEPPER] or the chairman of the committee, the gentleman from Wisconsin [Mr. ASPIN], because I have some questions on this.

The first question that I have is this: There was some preliminary discussion yesterday in the Rules Committee that we would be protected if amendments were filed in the RECORD. Now, that seems to have changed.

Mr. PEPPER. Mr. Speaker, will the gentleman yield?

Mr. COURTER. Let me just finish my statement first. Then I will ask if either of the gentleman can elaborate on it.

My quick reading of this rule, this proposed rule—we have not yet voted on it—indicates that in order to be protected in some instances, I am sure whether in some or all, you have to file your amendment with the Rules Committee and they have to somehow approve it or not.

I wonder if either gentleman, the chairman of the Rules Committee or the chairman of the Armed Services Committee, could elaborate so I can really understand what we are doing here.

Mr. PEPPER. Mr. Speaker, will the gentleman yield?

Mr. LATTA. I yield to the gentleman from Florida.

Mr. PEPPER. Mr. Speaker, with respect to the filing of amendments with the Rules Committee, I was intending to give this additional statement. Let me reiterate that this is the first part of what we hope will be a two-part sequence providing for the completion of consideration of H.R. 4428.

I anticipate scheduling a second hearing of the Committee on Rules for possibly Wednesday, August 6, 1986, to provide a rule to complete the defense authorization bill.

Last night I sent to all offices a letter asking that all Members who

want to be able to offer amendments to the bill which were not made in order by the rule we will consider today would have those amendments presented to the Rules Committee no later than 5 p.m. on Tuesday, August 5, 1986. It will be only those amendments which we have received by that time that the Committee on Rules will consider at our next meeting on this subject next week. Amendments should be brought to H-311 in the Capitol, which is the Rules Committee office.

Only amendments to the Mavroules and Dickinson substitute have to be submitted to the Rules Committee by noon Monday. In other words, only the Mavroules or Dickinson substitute amendments would have to be presented to the Rules Committee by noon on Monday; the other amendments would have to be presented by 5 o'clock next Tuesday afternoon.

Mr. COURTER. Mr. Speaker, if the gentleman would continue to respond and if the gentleman from Ohio would continue to yield, I understand the requirement of having amendments filed and given to the Rules Committee by noon on Monday has to do only with the section on acquisition reform and on reorganization?

Mr. PEPPER. The gentleman is correct.

Mr. COURTER. Therefore, if you have an amendment to another section of the bill unrelated to those two areas, you may or may not; that is, we do not know how you will treat that. In other words, we do not know what the rule is going to be, and the rule may prohibit your coming forward with that amendment, or does the simple printing in the RECORD protect you irrespective of what the rule is going to come out to be next Wednesday?

Mr. PEPPER. That matter will be decided by the Rules Committee meeting next Wednesday.

Mr. COURTER. So the question is correct. In other words, if I have a very important amendment on MX or SALT II or SDI, I do not know whether, under the proposed rule or under the scenario now, whether I will have the right to be able to proffer that or not?

Mr. PEPPER. I will defer to the gentleman from Wisconsin [Mr. ASPIN] for an answer to that.

Mr. LATTA. I yield to the gentleman from Wisconsin.

Mr. ASPIN. Mr. Speaker, as the gentleman knows, these things are always up to the Rules Committee, but let me tell the gentleman what we are trying to work out and why we are doing this two-stage rule.

We did the first stage because it was something that we could deal with, that is, packages that we deal with, general debate, military reform, and procurement reform issues. It is as the

gentleman stated. If you have amendments to the procurement reform package, the date is noon on Monday. Now, if you have another amendment to anything other than the procurement issue, any of the other issues coming later—

Mr. COURTER. How about reorganization?

Mr. ASPIN. Under the rule on that, you can offer the amendment on the floor directly; you do not have to go to the Rules Committee with that amendment.

Mr. COURTER. So that can be done directly on the floor?

Mr. ASPIN. Correct.

Mr. COURTER. That is, if you have an amendment with respect to reorganization, provided it has been printed in the RECORD?

Mr. ASPIN. Correct.

Mr. COURTER. With respect to acquisition and procurement, you have to file your amendment with the Rules Committee by Monday next?

Mr. ASPIN. Monday next at noon.

Mr. COURTER. Monday next at noon. And that is for their consideration?

Mr. ASPIN. No, no.

Mr. COURTER. If you file it with the Rules Committee, therefore, you have the right to proffer it on the floor?

Mr. ASPIN. It may be offered on the floor if it has been filed by noon on Monday.

Mr. COURTER. You will be able to offer it on the floor?

Mr. ASPIN. Yes. The purpose of having it filed is just so the committee, the staff, and everybody concerned can have a chance to read it and look at it, and maybe we can put some together and maybe we can accept some. In other words, it is to try to expedite the process a little bit and understand the universe of amendments we are dealing with.

Now, let me go to the second question. The second question is any amendment covering parts of the bill that we have not yet covered. The deadline for that is 5 o'clock on Tuesday.

Again it is not the purpose of that requirement to deny anybody the chance to have amendments heard and voted on. The purpose of it again is to make sure that we know what we are dealing with on the amendments, the number of amendments, and to try to apportion time fairly.

What the Rules Committee is going to try to do with those amendments that we will have as of 5 o'clock on Tuesday is to try and sort through them and see if we can get some agreement on time. That will be incorporated in the rule which it will present to the House following what it sees is available at 5 o'clock on Tuesday. They will try to get some rationality for it. In other words, there are some

amendments we may want to debate for an hour and some we may want to debate for 2 hours. Some amendments may be acceptable, and maybe a discussion of 10 minutes per side can deal with them. We would like to try to deal with these things in a rational way. It is not the intention of this process to deny any Member the opportunity to have amendments heard and voted on.

Mr. COURTER. All right. I understand the gentleman. I agree with respect to that, that you must get some rationality to the process, and also you have to limit the proliferation of amendments as the bill gets older and Members become wearier.

In other words, I can be assured that if I, this Member from New Jersey, have an amendment that I think is important and I want to offer it, I will be protected? You are in essence guaranteeing me that right, providing it is filed by 5 p.m. Tuesday with the Rules Committee?

Mr. ASPIN. It is my understanding that the gentleman from New Jersey can count on it, but the chairman of the Rules Committee is here and he can speak for himself. I do not think it is the intention of this rule to shut off any Member from being heard on an amendment, but the gentleman can speak for himself.

Mr. PEPPER. Mr. Speaker, if the gentleman will yield further, the able gentleman from New Jersey must recognize that the Rules Committee always tries to aid the House. The gentleman must remember that what we propose has to be approved by the House. We try to recommend to the House a procedure that will be fair to the individual Members and at the same time fair to the House as a whole in accomplishing its legislative purpose. We do not want to shut off any Member.

The gentleman will recall that we had the immigration bill up here last year, and he will remember that we presented a very complex rule for the benefit of the membership. So in this case we are doing our best to accommodate the Members and see that they are fairly dealt with and at the same time take into account the overall situation that the House itself faces.

Mr. COURTER. Mr. Speaker, I understand what the gentleman is saying. I am just going to rely on the fact that the Rules Committee will treat us fairly in this regard. I guess I recognize that there is no possibility of guarantees that I will be given that right.

Mr. PEPPER. I want to add to what the able chairman of the Committee on Armed Services said. When we meet next Wednesday in the Rules Committee, we expect to have before us the amendments that are proposed,

and we will try to deal fairly with those amendments. We will see that the Members are fairly dealt with in the debate of the floor of the House.

Mr. COURTER. Mr. Speaker, I have another matter, if the gentleman will continue to yield.

Mr. LATTA. I yield briefly.

Mr. COURTER. The question I have is really directed to the chairman of the Armed Services Committee and I wonder if he would be kind enough to try to answer it.

We do have a situation where the Armed Services Committee voted an authorization first at the \$285 billion level. Then, because of what the full House did on the budget, we increased that to the \$292 billion authorization level.

□ 1045

The outlay level is at \$279 billion and there is a concern about reaching \$279 billion if you have \$292 billion in authorization.

It is my understanding that the chairman of the full committee is going to offer an amendment to reduce the authorization from \$292 billion to the \$285 billion figure. Is that correct?

Mr. ASPIN. The amendment will not be offered by the gentleman. There will be an amendment offered, yes.

Mr. COURTER. To reduce it from \$292 billion to the \$285 billion figure?

Mr. ASPIN. Somewhere around \$285 billion, I am not sure, but I think that is roughly correct, yes.

Mr. COURTER. Now, that amendment, will that amendment take the work of the Armed Services Committee under consideration, or is that going to be a newly crafted authorization bill, irrespective of the particular work of the various subcommittees of the Armed Services Committee?

Mr. ASPIN. I cannot answer the chairman's question in detail. The authors of the amendment are the gentleman from Oklahoma [Mr. McCurdy] and the gentleman from South Carolina [Mr. Spratt]. What they are doing, as I understand it from the discussions that we have had on the subject, is essentially dealing with the committee bill, but necessarily taking some things out in order to get the outlay figure down to \$279 billion.

Mr. COURTER. Some things are in there and some things may not, the gentleman cannot guarantee those figures because he does not know what is in them.

The last question I have, does the minority then have a substitute right to that McCurdy-Spratt amendment?

Mr. ASPIN. That was the subject of intense discussion yesterday and it is still ongoing.

Let me put it this way. The minority has alerted us that they have a substitute or they are in the process of putting together a substitute, and clearly,

if the minority has a substitute and wants to have it reported on and voted on, it will be done.

Where the negotiations could not be successfully completed yesterday was on the discussion of how and under what circumstances these two amendments would then be considered to the bill, what would come up first, what would come up second, whether one would be a substitute for the other, whether they would be in sequence; if they were in sequence, whether the last amendment that carried would be the one that was in final form, and if that is the case, which one goes second.

So, yes, the answer to the gentleman's question is that there will be, in all likelihood—

Mr. COURTER. In all likelihood.

Mr. ASPIN. Two amendments. On our side there will be an amendment, and I take it from the gentleman's side there will be an amendment, so there will be two amendments.

The issue under discussion is what is the sequence and under what circumstances do those two amendments get considered?

Mr. COURTER. Well, I am nervous about the words "in all likelihood." The likely thing that will happen, the Republicans will not be given an opportunity to craft their own substitute, is that correct?

Mr. ASPIN. The gentleman will have an opportunity and if they want to have an amendment, there is going to be an amendment, as I explained. It is not that there will not be an amendment, the question is, and the gentleman from Alabama over there with whom I spent long hours negotiating, if they had been a little more reasonable, we would have this thing wrapped up now.

What we are talking about is under what circumstances and in what order these two amendments having to do with budget authority and outlays will be considered.

Mr. COURTER. Well, I will step back in just 1 second because my ranking member is here and he can speak a lot better than I can on these issues; but speaking for myself, there is so much yet to be decided, so much cloudiness on what is going to happen, so many words like "probably" and "you can be assured" and "it is unlikely" that I have problems with where we are today and, of course, that is my right. I doubt that I will vote in favor of what we have so far.

Mr. ASPIN. If there were not cloudiness, we would be able to present a rule dealing with the whole bill today, but there would be cloudiness, in any case. I mean, it was our intention from the very start to have a two-stage rule. Stage No. 1 would deal with the early days of consideration of the defense bill.

Stage No. 2 would come when we saw the universe of amendments that Members want to offer.

So I think the only way that we can logically deal with this thing, limit the amount of time that the bill will take, but be fair to all the amendments, is to have a second rule which will go into the question and decide, well, this is an important issue, it ought to have 2 hours of debate, this is a less important issue, it ought to have an hour of debate, et cetera.

Mr. LATTA. Mr. Speaker, I will reclaim my time.

Just let me say, the gentleman from New Jersey brings up a very important point. Certainly when this matter comes before the Rules Committee, the majority certainly would not object to a minority substitute to the McCurdy amendment on something so important.

Mr. DICKINSON. Mr. Speaker, will the gentleman yield?

Mr. LATTA. I am happy to yield to the gentleman from Alabama.

Mr. DICKINSON. Mr. Speaker, if I might have the attention of the chairman of the Armed Services Committee, I wanted to respond to something the gentleman said, and I do not want to misquote him.

I agree with most of what the gentleman said as to why we are in the position we are to have to ask for a truncated or a hyphenated or a two-part rule, but when the gentleman talks about our side, the gentleman is the chairman of the Armed Services Committee. The gentleman does not mean to imply when he says our side that the gentleman is talking for the committee. The gentleman is not representing the committee. The gentleman is not representing the committee position. The gentleman is representing a position that is antithetical to what the committee voted, what we supported. The gentleman is representing somebody who has nothing to do with the committee on many of these amendments, is that not correct?

Mr. ASPIN. Mr. Speaker, if the gentleman will yield, no, the gentleman is not correct. We are talking about an issue that was debated in our committee and voted on in our committee and the chairman was on the minority side on that vote.

Mr. DICKINSON. No, in the sequence the gentleman wants to offer the amendments, and that is where we break down, the sequence and who goes first, the gentleman wants to give the advantage to people who are not even on the committee, and certainly not to support the committee position; is that not correct?

Mr. ASPIN. The gentleman—

Mr. DICKINSON. The gentleman can answer that yes or no.

Mr. ASPIN. There is no sense in the gentleman from Alabama and I rehearsing our differences.

Mr. DICKINSON. The gentleman is leaving the impression that he is representing the committee on our side and the gentleman's side. The gentleman is not representing the committee. He is not representing a majority of the committee. The gentleman is representing an interest that is not the interest of the majority of the committee and the gentleman is insisting on a position in the offering of the amendments that will give an advantage to someone who is not with the committee position. It is just that simple.

Mr. ASPIN. Mr. Speaker, the gentleman is not correct. In the discussions with the gentleman from Pennsylvania [Mr. WALKER] and in the discussions with the gentleman from New Jersey [Mr. COURTER], I made it very clear that the committee position was \$292 billion. It is marked in the budget authority number; but we are over in outlays in the committee.

A significant number of committee members, the gentleman from Wisconsin included, voted for an amendment in the committee offered by the gentleman from South Carolina [Mr. SPRATT] that would have marked to the outlay number and cut the budget authority.

That is all I would say.

Mr. DICKINSON. And that failed.

Mr. ASPIN. That failed.

Mr. DICKINSON. Now the gentleman is insisting on a position in the rules that will put that position at an advantage over the committee position. That is where we break down.

Mr. ASPIN. Not at all.

Mr. DICKINSON. Then why would the gentleman insist on it, if it is not giving the advantage? The gentleman is certainly doing that.

Mr. ASPIN. Mr. Speaker, will the gentleman yield for just a moment?

Mr. LATTA. I yield to the gentleman from Wisconsin for just a moment. I only have 3 minutes left.

Mr. ASPIN. Mr. Speaker, the point about all these negotiations is that we have an amendment that the gentleman from South Carolina [Mr. SPRATT] and the gentleman from Oklahoma [Mr. McCURDY] were going to offer to that bill.

We now discover that others may have a substitute amendment, but that is an issue that is ongoing in discussions. We had discussions of it yesterday. We are having more discussions today. Before the second rule comes to the Rules Committee, we expect to have it worked out as to what amendments are going to be offered and in what order.

Mr. LATTA. Mr. Speaker, I reserve the balance of my time.

Mr. PEPPER. Mr. Speaker, I yield myself such time as I may consume.

I just want to say this. The chairman of the Armed Services Committee and the ranking minority member of that committee have been wonderful in the spirit of cooperation which they have exhibited in trying to work this thing out. The Rules Committee has tried to be cooperative with both the chairman and the minority. There has been splendid progress achieved so far. I hope nothing will happen that will impede the progress that I hope will be made in that conciliatory approach to this very difficult problem. That is why the Rules Committee has divided this rule into two parts in order to give the maximum opportunity for negotiation and agreement.

I want to commend the majority and minority of the Armed Services Committee for what they have done so far. I hope they will carry forward with that very desirable progress.

Mr. LATTA. Mr. Speaker, I have no additional requests for time, and I yield back the balance of my time.

Mr. PEPPER. Mr. Speaker, I have no further requests for time, and I move the previous question on the resolution.

The previous question was ordered.

The SPEAKER pro tempore (Mr. NATCHER). The question is on the resolution.

The question was taken; and the Speaker pro tempore announced that the ayes appeared to have it.

Mr. WALKER. Mr. Speaker, I object to the vote on the ground that a quorum is not present and make the point of order that a quorum is not present.

The SPEAKER pro tempore. Evidently a quorum is not present.

The Sergeant at Arms will notify absent Members.

The vote was taken by electronic device, and there were—yeas 245, nays 122, not voting 64, as follows:

[Roll No. 278]

YEAS—245

Ackerman	Clinger	Fazio
Akaka	Coleman (TX)	Feighan
Alexander	Collins	Fish
Anderson	Combest	Flippo
Andrews	Conte	Florio
Anthony	Coughlin	Foglietta
Applegate	Coyne	Foley
Aspin	Craig	Frank
Atkins	Dannemeyer	Fuqua
AuCoin	Darden	Garcia
Barnard	Daschle	Gaydos
Bateman	de la Garza	Gejdenson
Bates	Dellums	Gephardt
Beilenson	Derrick	Gibbons
Bennett	Dickinson	Gilman
Boggs	Dicks	Glickman
Boland	Dingell	Goodling
Bonior (MI)	DioGuardi	Gordon
Borski	Donnelly	Gradison
Bosco	Dorgan (ND)	Gray (IL)
Brooks	Downey	Gray (PA)
Bruce	Duncan	Guarini
Burton (CA)	Durbin	Hall (OH)
Bustamante	Dwyer	Hamilton
Byron	Eckart (OH)	Hatcher
Carper	Edwards (CA)	Hawkins
Carr	Erdreich	Hayes
Chandler	Evans (IL)	Hefner
Chapman	Fascell	Hendon

Hertel	Michel	Schumer
Holt	Miller (CA)	Seiberling
Horton	Mineta	Sharp
Howard	Mitchell	Sikorski
Hoyer	Moakley	Slattery
Huckaby	Molinari	Smith (FL)
Hughes	Mollohan	Smith (NE)
Ireland	Moody	Smith (NJ)
Jacobs	Morrison (WA)	Snowe
Jenkins	Mrazek	Snyder
Jones (NC)	Murphy	Solarz
Jones (OK)	Murtha	Spratt
Jones (TN)	Natcher	St Germain
Kanjorski	Nelson	Staggers
Kaptur	Nichols	Stallings
Kasich	Nowak	Stangeland
Kastenmeier	Oberstar	Stark
Kennelly	Obey	Stokes
Kildee	Olin	Studds
Kindness	Ortiz	Swift
Klecza	Owens	Synar
Kolter	Panetta	Tallon
Kostmayer	Pashayan	Taylor
Latta	Pease	Thomas (GA)
Lehman (CA)	Penny	Torres
Lehman (FL)	Pepper	Toricelli
Leland	Perkins	Traficant
Levin (MI)	Pickle	Traxler
Levine (CA)	Price	Udall
Lewis (FL)	Quillen	Valentine
Lipinski	Rahall	Vander Jagt
Lloyd	Rangel	Vento
Loeffler	Ray	Visclosky
Long	Regula	Volkmer
Lowry (WA)	Reid	Waldon
Lujan	Richardson	Walgren
Luken	Rinaldo	Watkins
MacKay	Ritter	Waxman
Madigan	Robinson	Weaver
Manton	Rodino	Weiss
Markey	Roe	Wheat
Martin (NY)	Rose	Whitley
Martinez	Rostenkowski	Whitten
Matsui	Roukema	Wilson
Mavroules	Rowland (CT)	Wise
Mazzoli	Rowland (GA)	Wolpe
McCloskey	Roybal	Wright
McCurdy	Russo	Wyden
McDade	Sabo	Yates
McEwen	Savage	Yatron
McHugh	Scheuer	Young (AK)
McKinney	Schneider	Young (MO)
Mica	Schroeder	

NAYS—122

Archer	Hall, Ralph	Pursell
Armey	Hammerschmidt	Ridge
Barton	Henry	Roberts
Bentley	Hiler	Roemer
Bereuter	Hopkins	Rogers
Billakis	Hubbard	Roth
Bliley	Hunter	Saxton
Boehlert	Hutto	Schaefer
Boulter	Hyde	Schuette
Broomfield	Jeffords	Schulze
Brown (CO)	Johnson	Sensenbrenner
Burton (IN)	Kolbe	Shaw
Callahan	Kramer	Shumway
Chapple	LaFalce	Shuster
Cheney	Lagomarsino	Siljander
Coats	Leach (IA)	Skeen
Cobey	Lent	Slaughter
Coleman (MO)	Lewis (CA)	Smith (IA)
Courter	Lott	Smith, Robert
Crane	Lowery (CA)	(NH)
Crockett	Lungren	Smith, Robert
Daniel	Mack	(OR)
Daub	Marlenee	Solomon
Davis	Martin (IL)	Spence
DeLay	McCain	Stenholm
DeWine	McCandless	Strang
Dornan (CA)	McCollum	Stratton
Dreier	McGrath	Stump
Eckert (NY)	McKernan	Sundquist
Emerson	McMillan	Sweeney
Fawell	Meyers	Swindall
Fiedler	Miller (OH)	Tauke
Fields	Miller (WA)	Tauzin
Franklin	Monson	Thomas (CA)
Frenzel	Montgomery	Vucanovich
Gallo	Moorhead	Walker
Gekas	Myers	Weber
Gingrich	Nielson	Whittaker
Gonzalez	Oxley	Wortley
Green	Packard	Young (FL)
Gregg	Petri	
Gunderson	Porter	

NOT VOTING—64

Annunzio	Cooper	Livingston
Badham	Dixon	Lundine
Barnes	Dowdy	Mikulski
Bartlett	Dymally	Moore
Bedell	Dyson	Morrison (CT)
Berman	Early	Neal
Bevill	Edgar	Oakar
Biaggi	Edwards (OK)	Parris
Boner (TN)	English	Rudd
Bonker	Evans (IA)	Shelby
Boucher	Ford (MI)	Sisisky
Boxer	Ford (TN)	Skelton
Breaux	Fowler	Smith, Denny
Brown (CA)	Frost	(OR)
Bryant	Grotberg	Towns
Campbell	Hansen	Whitehurst
Carney	Hartnett	Williams
Chappell	Hillis	Wirth
Clay	Kemp	Wolf
Coble	Lantos	Wyllie
Coelho	Leath (TX)	Zschau
Conyers	Lightfoot	

□ 1110

The Clerk announced the following pair:

On this vote:

Mr. Morrison of Connecticut for, with Mr. Bartlett against.

Mr. DAVIS and Mr. ROGERS changed their votes from "yea" to "nay."

Mr. YOUNG of Missouri change his vote from "nay" to "yea."

So the resolution was agreed to.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

AMENDING THE REVISED ORGANIC ACT OF THE VIRGIN ISLANDS, THE COVENANT TO ESTABLISH A COMMONWEALTH OF THE NORTHERN MARIANA ISLANDS, AND THE ORGANIC ACT OF GUAM

Mr. UDALL. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill (H.R. 2478) to amend the Revised Organic Act of the Virgin Islands, to amend the Covenant to Establish a Commonwealth of the Northern Mariana Islands, to amend the Organic Act of Guam, to provide for the governance of the insular areas of the United States, and for other purposes, with Senate amendments thereto, concur in the Senate amendment numbered 1, disagree to the Senate amendment numbered 3, and concur in the Senate amendments numbered 2 and 4 with amendments.

The Clerk read the title of the bill.

The SPEAKER pro tempore. The Clerk will report the Senate amendments and the House amendments to the Senate amendments.

The Clerk read the Senate amendments and the House amendments to Senate amendments numbered 2 and 4, as follows:

Senate amendments:

Page 6, strike out lines 1 to 7, inclusive and insert:

Sec. 2. A total of up to \$4,000,000 of funds currently reserved for use by the economic development loan fund, as established under

subsection (c) of section 702 of the Covenant to Establish a Commonwealth of the Northern Mariana Islands in Political Union with the United States of America, approved by Public Law 94-241, may be expended for capital improvement projects, provided that such funds become available for use by the economic development loan fund and such funds are not obligated for economic development loans.

Page 6, strike out lines 16 to 20, inclusive and insert:

Sec. 4. Effective October 1, 1986, there are authorized to be appropriated \$1,500,000 for grants to the College of the Virgin Islands for projects related to the Eastern Caribbean Center, to remain available until expended.

Page 8, line 8, strike out "669g-1" and insert "669h".

Page 8, after line 18, insert:

Sec. 9. (a) Section 506 of the Education Amendments of 1972, Public Law 92-318 (86 Stat. 235) is further amended by inserting, "the Northern Marianas College", after "the College of Micronesia" in subsection (a).

(b) Section 5 of the Act of August 30, 1980, c. 841, 26 Stat. 417 (the Second Morrill Act), as added by section 506(c) of Public Law 92-318 (86 Stat. 235) is amended by striking out "and Micronesia, and Guam" and inserting in lieu thereof "Guam, the Northern Mariana Islands, and the Trust Territory of the Pacific Islands (other than the Northern Mariana Islands)".

(c) Subsection (c) of section 1361 of Public Law 96-374 (94 Stat. 1367) is amended by striking out "American Samoa and in Micronesia" and inserting in lieu thereof "American Samoa, the Northern Mariana Islands, and the Trust Territory of the Pacific Islands (other than the Northern Mariana Islands)".

(d) Section 22 of the Act of June 29, 1935, c. 388, 49 Stat. 439, as amended (7 U.S.C. 329) is further amended—

(1) by striking out "and Guam" wherever it appears and inserting in lieu thereof "Guam, and the Northern Mariana Islands";

(2) by striking out "\$8,100,000" and inserting in lieu thereof "\$8,250,000"; and

(3) by striking out "\$4,360,000" and inserting in lieu thereof "\$4,380,000".

(e) The first sentence of section 3(b)(2) of the Act of May 8, 1914, c. 79, 38 Stat. 372, as amended (7 U.S.C. 343), is further amended by striking out "and Guam" and inserting in lieu thereof "Guam, and the Northern Mariana Islands".

(f) Section 10 of the Act of May 8, 1914, c. 79, 38 Stat. 372, as added by section 1(i) of Public Law 87-749 (76 Stat. 745) and as amended (7 U.S.C. 349), is further amended to read as follows: "The term 'State' means the States of the Union, Puerto Rico, the Virgin Islands, Guam and the Northern Mariana Islands."

Sec. 10. The Covenant to Establish a Commonwealth of the Northern Mariana Islands in Political Union with the United States of America approved by Public Law 94-241 (90 Stat. 263) is amended—

(1) in section 703, subsection (a), after the words "section 702" add the words "and section 705";

(2) in section 704, subsection (a), after the words "section 702" add the words "and section 705";

(3) in section 704, delete subsection (c), and redesignate subsection (d) as subsection (c);

(4) after section 704 add a new section 705, as follows:

"Sec. 705. Enactment of this section by the United States Congress and approval by the President shall constitute a commitment and pledge of the full faith and credit of the United States for the payment of \$228,000,000 at guaranteed annual amounts of direct grant assistance for the Government of the Northern Mariana Islands for an additional period of seven fiscal years after the expiration of the initial seven-year period specified in section 702, which assistance shall be provided according to the agreement of the special representatives on future United States financial assistance for the Government of the Northern Mariana Islands, executed July 10, 1985, between the special representative of the President of the United States and the special representatives of the Governor of the Northern Mariana Islands. The islands of Rota and Tinian shall each receive no less than a 1/2 share and the island of Saipan shall receive no less than 1/3 share of annualized capital improvement project funds which shall be no less than 80 percent of the capital development funds identified in the schedule of payments in paragraph 2 of part II of the agreement of the special representatives."; and

(5) in section 1003, subsection (b), delete "Article VII, Sections" and insert in lieu thereof "701-704."; redesignate subsection (c) as subsection (d); and add a new subsection (c) as follows:

"(c) Section 705 will become effective as of October 1, 1985."

Sec. 11. Public Law 96-193 is amended by adding the following new section at the end of title III:

"Sec. 306. (a) The Secretary shall provide an exemption from applicable noise standards to permit the operation of any noncomplying aircraft if the operator is flying such aircraft between Honolulu or other nations and points in the United States Pacific territories or the Trust Territory of the Pacific Islands (or successor political entities). No such noncomplying aircraft shall be allowed to operate at any other United States airports.

"(b) Nighttime noise restrictions for aircraft operating pursuant to subsection (a) of this section shall be inapplicable in Honolulu, the United States Pacific territories and the Trust Territory of the Pacific Islands (or successor political entities), provided that the State of Hawaii institutes nighttime noise restrictions for Honolulu International Airport, with equal application to all operators, that are no more restrictive than the existing restrictions."

Sec. 12. (a) In awarding assistance grants, consolidated under the provisions of title V of the Act entitled "An Act to authorize certain appropriations for the territories of the United States, to amend certain acts related thereto, and for other purposes." (91 Stat. 1159, as amended), to the Trust Territory of the Pacific Islands, American Samoa, Guam, the Northern Mariana Islands or the Virgin Islands, the Administrator of the Environmental Protection Agency may, in his discretion, adjust or otherwise modify maintenance or level of effort requirements.

(b) In awarding grants to the Trust Territory of the Pacific Islands, American Samoa, Guam, the Northern Mariana Islands and the Virgin Islands under section 201(g)(1) of the Clean Water Act (33 U.S.C. 1251 et seq.), the Administrator of the Environmental Protection Agency may waive limitations regarding grant eligibility for

sewerage facilities and related appurtenances, insofar as such limitations relate to collector sewers, based upon a determination that applying such limitations could hinder the alleviation of threats to public health and water quality. In making such a determination, the Administrator shall take into consideration the public health and water quality benefits to be derived and the availability of alternate funding sources. The Administrator shall not award grants under this section for the operation and maintenance of sewerage facilities, for construction of facilities which are not an essential component of the sewerage facilities, or any other activities or facilities which are not concerned with the management of wastewater to alleviate threats to public health and water quality.

Sec. 13. Section 29 of the Organic Act of Guam (64 Stat. 392) is amended by adding the following new subsection (c):

"(c) the Government of Guam may establish an Office of Public Prosecutor and an Office of Public Auditor."

Sec. 14. Section 101(a)(15)(D) of the Immigration and Nationality Act (8 U.S.C. 1101(a)(15)(D)) is amended by inserting "(i)" after "(D)" and by adding at the end the following new clause:

"(ii) an alien crewman serving in good faith as such in any capacity required for normal operations and service aboard a fishing vessel having its home port or an operating base in the United States who intends to land temporarily in Guam and solely in pursuit of his calling as a crewman and depart from Guam with the vessel on which he arrived. For the purposes of this clause, an alien crewman shall be considered to have departed from Guam after leaving the territorial waters of Guam, without regard to whether the alien arrives in a foreign state before returning to Guam."

Sec. 15. Subsection 212(l) of the Immigration and nationality Act (8 U.S.C. 1182) is amended as follows:

"(1)(1) The requirement of paragraph (26)(B) of subsection (a) of this section may be waived by the Attorney General, the Secretary of State, and the Secretary of the Interior, acting jointly, in the case of an alien applying for admission as a nonimmigrant visitor for business or pleasure and solely for entry into and stay on Guam for a period not to exceed fifteen days, if the Attorney General, the Secretary of State, and the Secretary of the Interior, after consultation with the Governor of Guam jointly determined that—

"(A) an adequate arrival and departure control system has been developed on Guam, and that

"(B) such a waiver does not represent a threat to the welfare, safety, or security, of the United States, taking into account the conditions prevailing on, and the location of, Guam.

"(2) An alien may not be provided a waiver under this subsection unless the alien has waived any right—

"(A) to review or appeal under this Act of an immigration officer's determination as to the admissibility of the alien at the port of entry into Guam, or

"(B) to contest, other than on the basis of an application for asylum, any action for deportation against the alien.

"(3) Any personnel employed by the Immigration and Naturalization Service in order to implement the provisions of this subsection shall not be counted for the purposes of personnel ceilings or other limitations on the number of employees in either

the Immigration and Naturalization Service or the Department of Justice.

"(4) Assignments of employees of the territory of Guam to the Immigration and Naturalization Service under section 3374 of title 5, United States Code, shall not be subject to the time limitation provided for in section 3372(a) of title 5, United States Code.

"(5) The Attorney General is authorized to accept from the Territory of Guam reimbursement for the increased cost of administering the Immigration and Nationality Act resulting from this subsection.

"(6) The Attorney General, after consultation with the Secretary of State, and the Secretary of the Interior, and the Governor of Guam, shall issue regulations governing the admission of nonimmigrant aliens pursuant to the visa waiver authorized by this subsection."

House amendments to Senate amendments numbered 2 and 4:

Amend Senate amendment numbered (2) by changing "\$1,500,000" to "\$1,200,000,000".

Amend Senate amendment numbered (4) to read as follows: Page 8, after line 18, insert:

SECTION 9. (a) Section 506 of the Education Amendments of 1972, Public Law 92-318 (86 Stat. 235) is further amended by inserting, "the Northern Marianas College", after "the College of Micronesia" in subsection (a).

(b) Section 5 of the Act of August 30, 1980, c. 841, 26 Stat. 417 (the Second Morrill Act), as added by section 506(c) of Public Law 92-318 (86 Stat. 235) is amended by striking out "and Micronesia, and Guam" and inserting in lieu thereof "Guam, the Northern Mariana Islands, and the Trust Territory of the Pacific Islands (other than the Northern Mariana Islands)".

(c) Subsection (c) of section 1361 of Public Law 96-374 (94 Stat. 1367) is amended by striking out "American Samoa and in Micronesia" and inserting in lieu thereof "American Samoa, the Northern Mariana Islands, and the Trust Territory of the Pacific Islands (other than the Northern Mariana Islands)".

(d) Section 22 of the Act of June 29, 1935, c. 388, 49 Stat. 439, as amended (7 U.S.C. 329) is further amended—

(1) by striking out "and Guam" wherever it appears and inserting in lieu thereof "Guam, and the Northern Mariana Islands";

(2) by striking out "\$8,100,000" and inserting in lieu thereof "\$8,250,000"; and

(3) by striking out "\$4,360,000" and inserting in lieu thereof "\$4,380,000".

(e) The first sentence of section 3(b)(2) of the Act of May 8, 1914, c. 79, 38 Stat. 372, as amended (7 U.S.C. 343), is further amended by striking out "and Guam" and inserting in lieu thereof "Guam, and the Northern Mariana Islands".

(f) Section 10 of the Act of May 8, 1914, c. 79, 38 Stat. 372, as added by section 1(i) of Public Law 87-749 (76 Stat. 745) and as amended (7 U.S.C. 349), is further amended to read as follows: "The term 'State' means the States of the Union, Puerto Rico, the Virgin Islands, Guam and the Northern Mariana Islands."

Sec. 10. The Act of March 24, 1976 (Public Law 94-241; 90 Stat. 263), is amended by adding the following new sections at the end thereof:

"Sec. 3. Pursuant to section 701 of the foregoing Covenant, enactment of this section shall constitute a commitment and

pledge of the full faith and credit of the United States for the payment of \$228 million at guaranteed annual amounts of direct grant assistance for the Government of the Northern Mariana Islands for an additional period of seven fiscal years after the expiration of the initial seven-year period specified in Section 702 of said Covenant, which assistance shall be provided according to the schedule of payments contained in the Agreement of the Special Representatives on Future United States Financial Assistance for the Government of the Northern Mariana Islands, executed July 10, 1985, between the special representative of the President of the United States and the special representatives of the Governor of the Northern Mariana Islands. The islands of Rota and Tinian shall each receive no less than a ¼ share and the island of Saipan shall receive no less than a ¼ share of annualized capital improvement project funds, which shall be no less than 80% of the capital development funds identified in the schedule of payments in paragraph 2 of Part II of the Agreement of the Special Representatives. Funds shall be granted according to such regulations as are applicable to such grants.

"Sec. 4. (a) Section 704(c) of the foregoing Covenant shall not apply to the federal financial assistance which is provided to the Government of the Northern Mariana Islands pursuant to Section 3 of this Act.

"(b) Upon the expiration of the period of federal financial assistance which is provided to the Government of the Northern Mariana Islands pursuant to Section 3 of this Act, payments of direct grant assistance shall continue at the annual level provided for the last fiscal year of the additional period of seven fiscal years until Congress otherwise provides by law.

"Sec. 5. Should the Secretary of the Interior believe that the performance standards of the agreement identified in Section 3 of this Act are not being met, he shall notify the Government of the Northern Mariana Islands in writing with the intent to resolve such issue in a mutually agreeable and expeditious manner and notify the Committee on Interior and Insular Affairs of the House of Representatives and the Committee on Energy and Natural Resources of the Senate. Should the issue not be resolved within thirty days after the notification is received by the Government of the Northern Mariana Islands, the Secretary of the Interior may request authority from Congress to withhold payment of an appropriate amount of the operations funds identified in the schedule of payments in paragraph 2 of part 2 of the Agreement of the Special Representatives for a period of less than one year but no funds shall be withheld except by Act of Congress."

"Sec. 11. The final rule of June 18, 1986 amending part 697 of title 29 of the Code of Federal Regulations shall have no effect. The minimum rates of wages paid to the employees in American Samoa shall be those in effect July 1, 1986, until new rates are established by another industry committee acting pursuant to the Fair Labor Standards Act of 1938.

Sec. 12. (a) In awarding assistance grants, consolidated under the provisions of title V of the Act entitled "An Act to authorize certain appropriations for the territories of the United States, to amend certain acts related thereto, and for other purposes." (91 Stat. 1159, as amended), to the Trust Territory of the Pacific Islands, American Samoa, Guam, the Northern Mariana Islands or the Virgin

Islands, the Administrator of the Environmental Protection Agency may, in his discretion, adjust or otherwise modify maintenance or level of effort requirements.

(b) In awarding grants to the Trust Territory of the Pacific Islands, American Samoa, Guam, the Northern Mariana Islands and the Virgin Islands under section 201(g)(1) of the Clean Water Act (33 U.S.C. 1251 et seq.), the Administrator of the Environmental Protection Agency may waive limitations regarding grant eligibility for sewerage facilities and related appurtenances, insofar as such limitations relate to collector sewers, based upon a determination that applying such limitations could hinder the alleviation of threats to public health and water quality. In making such a determination, the Administrator shall take into consideration the public health and water quality benefits to be derived and the availability of alternate funding sources. The Administrator shall not award grants under this section for the operation and maintenance of sewerage facilities, for construction of facilities which are not an essential component of the sewerage facilities, or any other activities or facilities which are not concerned with the management of wastewater to alleviate threats to public health and water quality.

SEC. 13. (a) Section 29 of the Organic Act of Guam (64 Stat. 392) as amended, is further amended—

(1) by striking "at such places" and all thereafter in subsection (b) and inserting in lieu thereof "according to the laws of Guam"; and

(2) by adding the following new subsection at the end thereof:

"(c) The Government of Guam may by law establish an Office of Public Prosecutor and an Office of Public Auditor. The Public Prosecutor and Public Auditor may be removed as provided by the laws of Guam."

SEC. 14. (a) Subsection (1) of section 212 of the Immigration and Nationality Act (8 U.S.C. 1182) is amended to read as follows:

"(1)(1) The requirement of paragraph (2)(B) of subsection (a) of this section may be waived by the Attorney General, the Secretary of State, and the Secretary of the Interior, acting jointly, in the case of an alien applying for admission as a nonimmigrant visitor for business or pleasure and solely for entry into and stay on Guam for a period not to exceed 15 days, if the Attorney General, the Secretary of State, and the Secretary of the Interior, after consultation with the Governor of Guam, jointly determine that—

"(A) an adequate arrival and departure control system has been developed on Guam, and

"(B) such a waiver does not represent a threat to the welfare, safety, or security of the United States or its territories and commonwealths.

"(2) An alien may not be provided a waiver under this subsection unless the alien has waived any right—

"(A) to review or appeal under this Act of an immigration officer's determination as to the admissibility of the alien at the port of entry into Guam, or

"(B) to contest, other than on the basis of an application for asylum, any action for deportation against the alien.

"(3) If adequate appropriated funds to carry out this subsection are not otherwise available, the Attorney General is authorized to accept from the Government of Guam such funds as may be tendered to cover all or any part of the cost of administration and enforcement of this subsection.

"(b) After consultation with the Secretary of State, the Secretary of Interior, and the Governor of Guam and within 90 days after the date of the enactment of this Act, the Attorney General shall issue regulations governing the admission, detention, and travel of nonimmigrant aliens pursuant to the visa waiver authorized by the amendment made by subsection (a).

"(c) Each year the Attorney General shall submit a report on the implementation of section 212(1) of the Immigration and Nationality Act to the Committees on the Judiciary and Interior and Insular Affairs of the House of Representatives and the Committees on the Judiciary and Energy and Natural Resources of the Senate."

SEC. 15. (a) Section 308 of the Immigration and Nationality Act (8 U.S.C. 1408) is amended by adding at the end the following new paragraph:

"(4) A person born outside the United States and its outlying possessions of parents one of whom is an alien, and the other a national, but not a citizen, of the United States who, prior to the birth of such person, was physically present in the United States or its outlying possessions for a period or periods totaling not less than 7 years in any continuous period of 10 years—

"(A) during which the national parent was not outside the United States or its outlying possessions for a continuous period of more than one year, and

"(B) at least five years of which were after attaining the age of fourteen years.

The proviso of section 301(g) shall apply to the national parent under this paragraph in the same manner as it applies to the citizen parent under that section."

(b) The amendment made by subsection (a) shall apply to persons born before, on, or after the date of the enactment of this Act. In the case of a person born before the date of the enactment of this Act—

(1) the status of a national of the United States shall not be considered to be conferred upon the person until the date the person establishes to the satisfaction of the Secretary of State that the person meets the requirements of section 308(4) of the Immigration and Nationality Act, and

(2) the person shall not be eligible to vote in any general election in American Samoa earlier than January 1, 1987.

SEC. 16. (a) Section 341 of the Immigration and Nationality Act (8 U.S.C. 1452) is amended—

(1) in the heading, by inserting "OR U.S. NONCITIZEN NATIONAL STATUS" after "CITIZENSHIP",

(2) by inserting "(a)" after "Sec. 341.", and

(3) by adding at the end the following new subsection:

"(b) A person who claims to be a national, but not a citizen, of the United States may apply to the Secretary of State for a certificate of non-citizen national status. Upon—

"(1) proof to the satisfaction of the Secretary of State that the applicant is a national, but not a citizen, of the United States, and

"(2) in the case of such a person born outside of the United States or its outlying possessions, taking and subscribing, before an immigration officer within the United States or its outlying possessions, to the oath of allegiance required by this Act of a petitioner for naturalization,

the individual shall be furnished by the Secretary of State with a certificate of non-citizen national status, but only if the individual is at the time within the United States or its outlying possessions."

(b) The item in the table of contents of such Act relating to section 341 is amended to read as follows:

"Sec. 341. Certificates of citizenship or U.S. non-citizen national status; procedure."

(c) The Secretary of State may not impose a fee exceeding \$35 for the processing of an application for a certificate of non-citizen national status under section 341(b) of the Immigration and Nationality Act filed before the end of fiscal year 1987.

SEC. 17. The Act of June 12, 1906 (34 Stat. 259, 43 U.S.C. 391) is amended by inserting a comma after "State of Texas" and adding "American Samoa, Guam, the Northern Mariana Islands and the Virgin Islands."

SEC. 18. (a) Section 9(a) of the Organic Act of Guam (64 Stat. 387) is amended by adding the following new sentence at the end thereof:

"The Government of Guam may by law establish a Civil Service Commission to administer the merit system. Members of the commission may be removed as provided by the laws of Guam."

SEC. 19. (a) There are hereby authorized to be appropriated such sums as may be necessary to carry out the purposes of this Act.

(b) Pursuant to the terms of the Organic Act of Guam (64 Stat. 384), as amended; the Joint Resolution to Approve the Covenant to Establish a Commonwealth of the Northern Mariana Islands in Political Union with the United States of America (90 Stat. 263), as amended; the Puerto Rican Federal Relations Act (64 Stat. 319), as amended and supplemented; and the Revised Organic Act of the Virgin Islands (86 Stat. 497), as amended and supplemented and an Act to authorize appropriations for certain insular areas of the United States, and for other purposes (92 Stat. 487), as amended; there shall be paid into the treasuries of Guam, the Northern Mariana Islands, Puerto Rico, and the Virgin Islands respectively the full amounts which are to be covered into the treasuries of said islands or paid pursuant to said laws as amended and supplemented and such amounts shall not be reduced, notwithstanding Public Law 99-177, Public Law 99-366, or any other provision of law.

SEC. 20. (a) Section 105(b)(2) of Public Law 99-239 is amended to read as follows:

"(2)(A) Except for programs or services provided by or through other federal agencies or officials to the Federated States of Micronesia or the Republic of the Marshall Islands, or for which residents thereof are eligible pursuant to the Compact or any other provision of this joint resolution, appropriations made pursuant to the Compact or any other provision of this joint resolution may be made only to the Secretary of the Interior. The Secretary of the Interior shall coordinate and monitor any programs or activities, including such activities for which funding is made directly to such other agencies, provided to the Federated States of Micronesia or the Republic of the Marshall Islands by agencies of the Government of the United States and related economic development planning pursuant to the Compact or pursuant to any other authorization except for the provisions of sections 161(e), 313, and 351 of the Compact and the authorization of the President to agree to an effective date pursuant to this resolution. Funds appropriated to the Secretary of the Interior pursuant to this paragraph shall not be allocated to other Departments or agencies, except that the Secretary of the Interior shall be able to reim-

burse Departments or agencies for purposes authorized by this joint resolution.

"(B) The programs and services specified in section 105(h)(1), sections 105(i)(1) and (2), section 111(a), the services of the National Health Service Corps pursuant to section 105(k), and the technical assistance and national Historic Preservation Act grants pursuant to section 105(j), P.L. 99-239 shall be provided on a nonreimbursable basis.

Sec. 21. (a) Section 373 of title 28, United States Code, is amended to read as follows:

"§ 373. Judges in territories and possessions

"(a) Any judge of the District Court of Guam, the District Court of the Northern Mariana Islands, or the District Court of the Virgin Islands who retires from office after attaining the age and meeting the service requirements whether continuous or otherwise, of subsection (b) shall, during the remainder of his lifetime, receive an annuity equal to the salary he is receiving at the time he retires.

"(b) The age and service requirements for retirement under subsection (a) of this section are as follows:

Attained age:	Years of service:
65.....	15
66.....	14
67.....	13
68.....	12
69.....	11
70.....	10

"(c)(1) Any judge or former judge who is receiving an annuity pursuant to this section may elect to become a senior judge of the court upon which he served before retiring.

"(2) The chief judge of a judicial circuit may recall any such senior judge, with the judge's consent, to perform, for the court from which he retired, such judicial duties for such periods of time as the chief judge may specify.

"(3) Any act or failure to act by a senior judge performing judicial duties pursuant to recall under paragraph (2) of this subsection shall have the same force and effect as if it were an act or failure to act of a judge on active duty; but such senior judge shall not be counted as a judge of the court on which he is serving as a recalled annuitant for purposes of the number of judgeships authorized for that court.

"(4) Any senior judge performing judicial duties pursuant to recall under paragraph (2) of this subsection shall be paid, while performing such duties, the same compensation (in lieu of the annuity payable under subsection (a) of this section) and the same allowances for travel and other expenses as a judge on active duty with the court being served.

"(5) Any senior judge performing judicial duties pursuant to recall under paragraph (2) of this subsection shall at all times be governed by the code of judicial conduct for United States judges approved by the Judicial Conference of the United States.

"(d) Any judge who elects to become a senior judge under subsection (c) of this section and who thereafter—

"(1) accepts civil office or employment under the Government of the United States (other than the performance of judicial duties pursuant to recall under subsection (c) of this section);

"(2) engages in the practice of law; or

"(3) materially violates the code of judicial conduct for United States judges, shall cease to be a senior judge and to be eligible for recall pursuant to subsection (c) of this section.

"(e) Any judge of the District Court of Guam, the District Court of the Northern Mariana Islands, or the District Court of the Virgin Islands who is removed by the President of the United States upon the sole ground of mental or physical disability, or who is not reappointed (as judge of such court), shall be entitled, upon attaining the age of 65 years or upon relinquishing office if he is then beyond the age of 65 years, (1) if his judicial service, continuous or otherwise, aggregates 15 years or more, to receive during the remainder of his life an annuity equal to the salary he received when he left office, or (2) if his judicial service, continuous or otherwise, aggregated less than 15 years but not less than ten years, to receive during the remainder of his life an annuity equal to that proportion of such salary which the aggregate number of his years of his judicial service bears to 15.

"(f) Service at any time as a judge of the courts referred to in subsection (a) or of any other court of the United States, as defined by section 451 of this title, shall be included in the computation of aggregate years of judicial service for purposes of this section.

"(g) Any retired judge who is entitled to receive an annuity under subsection (a) shall be entitled to a cost of living adjustment in the amount payable to him computed as specified in section 8340(b) of title 5, except that in no case may the annuity payable to such retired judge, as increased under this subsection, exceed 95 percent of the salary of a United States district judge in regular active service."

(b)(1) Subsection (a)(1)(B) of section 376 of title 28, United States Code, is amended to read as follows:

"(B) a judge of the District Court of Guam, the District Court of the Northern Mariana Islands, or the District Court of the Virgin Islands;"

(2) Subsection (a)(2)(B) of Section 376 of title 28, United States Code, is amended to read as follows:

"(B) in the case of a judge of the District Court of Guam, the District Court of the Northern Mariana Islands, or the District Court of the Virgin Islands, (i) an annuity paid under subsection (a) of section 373 of this title or (ii) compensation paid under paragraph (4) of subsection (c) of section 373 of this title;"

(c) The amendments made by this section shall not affect the amount payable to a judge who retired in accordance with the provisions of section 373 of title 28, United States Code, in effect on the day before the date of enactment of this Act.

Sec. 21. (a) The first proviso of Section 2(a)(2) of Public Law 94-204 (89 Stat. 1146) as amended by Section 1411(a) of Public Law 96-487 (94 Stat. 2498) is amended to read as follows:

"Provided, the interest on proceeds received prior to January 2, 1976, shall be calculated and paid at the rate of the earnings on Individual Indian Moneys in the custody of the Secretary of the Interior pursuant to Sections 463 and 465 of the Revised Statutes (25 U.S.C. 2 and 9) and invested by him pursuant to the Act of June 24, 1938 (25 U.S.C. 162a) from the date of receipt to January 2, 1976. Effective January 2, 1976, the interest so calculated shall be added to the principal amount of such proceeds. The interest on this total amount and on proceeds received on or after January 2, 1976, shall be calculated and paid as though such proceeds and previously calculated interest had been deposited in the escrow account from January 2, 1976, or the date of receipt,

whichever occurs later, to the date of payment to the affected Corporation."

(b) Section 2(e) of Public Law 94-204 (89 Stat. 1146) as added by Section 1411(b) of Public Law 96-487 (94 Stat. 2498) is amended to read as follows:

"The Secretary shall calculate the amounts payable pursuant to this section and notify the affected Corporation of the results of his calculations. The affected Corporation shall have 30 days in which to appeal the Secretary's calculations after which the Secretary shall promptly make a final determination of the amounts payable. The Secretary shall certify such final determinations to the Secretary of the Treasury and each determination shall constitute a final judgment, award, or compromise settlement under Section 1304 of Title 31 of the United States Code. The Secretary of the Treasury is authorized and directed to pay the such amounts to the appropriate Corporation out of funds in the Treasury: *Provided*, That if the lands from which the proceeds and interest entitlement are derived have not been conveyed to the selecting Native Corporation at the time the Secretary makes his final determination, the Secretary of the Treasury is authorized and directed to pay such amount into the escrow account where it will earn interest and be disbursed in the same manner as other proceeds and interest."

Mr. UDALL (during the reading). Mr. Speaker, I ask unanimous consent that the Senate amendments and the House amendments to the Senate amendments be considered as read and printed in the RECORD.

The SPEAKER pro tempore (Mr. NATCHER). Is there objection to the request of the gentleman from Arizona?

Mr. LAGOMARSINO. Mr. Speaker, reserving the right to object, the original bill passed the House with the support of the minority and after having been cleared with the administration. Will the gentleman explain the Senate and proposed House amendments and explain whether what he proposes is also as agreed?

Mr. UDALL. If the gentleman will yield, yes, it is. It has long been the practice to incorporate miscellaneous essentially matters concerning the territories and commonwealths into an annual omnibus bill. These bills have been developed on a bipartisan consensus basis.

In keeping with this tradition, this legislation is the product of close cooperation with the minority and the Senate. It also has been developed in careful consultation with appropriate administration agencies, other concerned committees, and, of course, insular areas officials.

The primary purposes of this legislation are to grant insular areas powers that are consistent with self-government and meet basic commitments contained in the laws establishing Federal-insular relationships as well provide for the participation of insular areas in programs and adjust requirements to unique insular circumstances.

When the bill, H.R. 2478, was originally passed by the House last year, it

was intended to be the omnibus insular areas act of 1985 and expected that another bill would be considered this year. Prolonged consideration by the Senate, however, developed the measure into omnibus legislation for both sessions of the 99th Congress.

The other body both amended provisions included in the House-passed bill and added new provisions, all of which I will outline in greater detail shortly. For the most part, these changes are supportable. In some cases, however, they are of concern to members of both parties of the Committee on Interior and Insular Affairs, members of other committees of the House, and the administration.

The amendments to the Senate amendments which we propose add new provisions as well as amend provisions amended by the other body, all of which I will also outline in greater detail. We have worked with other Members and committees, administration officials and Senate sponsors to respond to the concerns which have been raised.

Thus, we expect that these amendments will meet with approval on the other side of the Capitol. We also expect Presidential approval since the original bill passed the House with administration clearance and since our amendments also reflect our sincere efforts to accommodate administration concerns.

This legislation, our best and basic effort to balance insular needs and national interests in this Congress, is made possible by the leadership of the gentleman from California, BOB LAGOMARSINO, who serves as the Minority spokesman on insular areas matters on the Committee on Interior and Insular Affairs. Equal responsibility for this bill is shared with its original sponsor and the senior insular representative, RON DE LUGO of the Virgin Islands, and the other insular representatives: FOFO SUNIA of American Samoa, JAIME FUSTER of Puerto Rico, and BEN BLAZ of Guam. The elected representative of the Northern Mariana Islands, who does not sit in the House, Froilan Tenorio, also contributed to our work on this bill.

Finally, the dedication of Senators JAMES MCCLURE, J. BENNETT JOHNSTON, JR., and LOWELL WEICKER, JR.; the efforts of the ranking Republican and Democrat of the Committee on Interior and Insular Affairs, DON YOUNG and JOHN SEIBERLING; and the cooperation of other Members of the House must also be recognized as making this legislation possible.

Senate amendment No. 1 amends section 2 of the bill as passed by the House. It would place a \$4 million cap on the existing unexpended appropriations for economic development in the Northern Mariana Islands which the House provision would authorize to be expended for capital development

projects which facilitate economic growth.

Through hindsight, we now know that the financial assistance required during the first phase of the Federal relationship with the commonwealth included less than enough for public sector development and more than needed for private sector development to meet the goal of raising the standard of living in these islands. More basic infrastructure than has been put in place is essential if much more business activity is to occur.

Commonwealth officials are in a better position to determine exactly what expenditures are needed for public and private sector projects than are Federal officials. Thus, the Senate limitation on the authority to shift appropriations from economic to capital development projects is unnecessary.

Still, the \$4 million amount of the limitations is generous. So, the Senate amendment is not objectionable.

Senate amendment No. 2 amends section 4 of the bill as passed by the House. It would make the effective date of the authorization of appropriations for projects related to the Eastern Caribbean Center at the College of the Virgin Islands the beginning of fiscal year 1987 rather than fiscal year 1986. It also would increase the authorization from \$1.2 million to \$1.5 million for the Center proposed by the President in his Caribbean Basin Initiative. Finally, it would not limit appropriations for this purpose to any agency while the House bill specified the Department of The Interior.

Our first amendment amends Senate amendment No. 2 to return the amount authorized to \$1.2 million. The increase in the amount of the authorization is justified because of the projects which are now planned but the administration, which supported the \$1.2 million figure when the bill originally passed the House, has opposed it. The delay in the effective date of the authorization is retained because of the prolonged consideration of this legislation. Additionally, although we still intend that grants be provided through the Department of the Interior, the general authorization is accepted because certain spending might more properly be provided through agencies which have broader foreign assistance responsibilities.

Senate amendment No. 3 was intended to make a technical amendment necessary to accomplish the purposes of section 8 of the House bill. In fact, it would not do that. Thus, we would disagree with it.

The first part of Senate amendment No. 4 would add a new section 9 to grant the Northern Marianas College eligibility for most land grant college programs. Unfortunately, it would not, however, extend all of the assistance granted other insular land grant institutions.

The most important assistance which would not be provided is the \$3-million endowment which has been provided colleges in American Samoa, the Trust Territory of the Pacific Islands, Guam, and the Virgin Islands. Acceptance of the Senate amendment does not mean that we agree with those who believe that the Northern Marianas College is too small to receive this assistance.

An endowment for the Northern Marianas College and any other discrepancies between the assistance granted various insular land grant institutions should be considered in future legislation. The first part of our second amendment accepts the Senate provision with a technical amendment.

The second part of Senate amendment No. 4 would add a new section 10 to amend the Covenant to Establish a Commonwealth of the Northern Mariana Islands in Political Union with the United States of America to provide assistance that the covenant contemplated. It would require the granting of \$228 million from fiscal years 1986 through 1992 for local government operations, capital development, startup costs of the islands' federally funded health center, and planning for its pension system.

The assistance would be provided and expended according to the terms of an agreement between representatives of the President and the Governor. Their recommendations to Congress were made pursuant to the covenant, which was approved by law.

We have no objection to the amount of assistance which would be provided even though it could be less than what would be provided if the current authorization were to continue, depending on inflation. The recommendations are fair in this respect.

We do have objections, however, to the administration's proposal to amend our covenant with these Western Pacific islands to provide this assistance. We also object to some of the proposed terms of this assistance.

These objections do not indicate a lack of appreciation for the fine work done by the Federal and commonwealth representatives who developed the recommendations. In most respects, we concur in their recommendations. They have done a real and, I hope, lasting service.

Unfortunately, they developed their recommendations with only perfunctory consultation with the Congress. Because of this, certain flaws were incorporated into their proposals which we cannot approve.

The congressional role in the development of the recommendations, it is important to note, contrasted sharply with the procedure used in developing the covenant which required the recommendations in the first place. In the case of the covenant, concerned

members of the Committee on Interior and Insular Affairs were central, although unofficial, participants in development of the agreement, properly advising both Federal and insular negotiators.

The most troublesome of the administration's proposals would grant the Secretary of the Interior new deferral authority to withhold grants to assist the commonwealth in meeting local governmental responsibilities. The \$100.5 million could be withheld if the secretary believed that provisions of or understandings related to the recommendations were not being met.

This House has clearly rejected the deferral concept and the administration has just as clearly clung to it. The assistance which we must provide the commonwealth, however, need not and should not be complicated by the debate on the deferral issue. New authority should not be delegated to the executive branch in this regard nor does existing authority need to be curbed.

Those who drafted the recommendations understandably wanted assurance that the assistance would only be used in accordance with its purposes. They recognized a potential conflict between guaranteeing the assistance and requiring that it only be expended according to certain terms.

Limiting the lawful expenditure of appropriations to specified terms is proper and essential. The problem is created by the precise means proposed for enforcing the limitations.

Among other deficiencies, the proposed method would contradict the guaranteed nature of this assistance. Subjecting the assistance we provide by law on a full faith and credit basis to withholding without approval in law would make a mockery of the commitment.

Permitting the withholding to be done at the discretion of the Secretary of the Interior would assign the Secretary broad powers not conferred upon him by the covenant. While we have a great deal of respect for and confidence in the current managers of the department's Office of Territorial and International Affairs, we cannot make a self-governing commonwealth captive to the judgments of any persons who may hold their offices.

Many of the recommended requirements on the use of the funds are advisable and should be implemented as agreed by the representatives of the President and the Governor. Some of the recommended requirements, however, are not advisable.

Among these are so-called performance standards and understandings which are not concrete or are already disputed. For example, a requirement that the commonwealth flatly reduce the overall size its government is not realistic and not appropriate for Federal officials to enforce in any case.

The requirement to implement a plan to transfer governmental functions to private businesses to the extent feasible too vague. It could contradict congressional intent in the case of facilities paid for by Federal assistance; have federally financed assets transferred to private interests on an unfair basis; or result in essential services not being adequately provided.

Although privatization could result in more efficient local government, it involves decisions that the elected representatives of both the peoples of the Northern Mariana Islands and the United States should make.

Other requirements to end subsidies for the Commonwealth's power system and not alter the nature of the local agency which expends capital development funds also subject possibly be worthwhile goals to possibly unwise decisions. Approval of assistance we must provide the Commonwealth should not be used to obtain authority to implement policies which require legislative guidance.

The generality of the recommendations would grant Interior Department officials broad discretion to control actions of local elected officials. It would also make it inappropriate to have all of the assistance provided for basic public services deferred because essential services could be interrupted due to minor disputes.

The recommended delegation of authority to amend almost any provision of what was requested to be an agreement approved by law must also be opposed. Substantial provisions of agreements that Congress and the President approve should remain in effect until they are amended with approval by law.

Such a delegation could allow the will of the Congress to be subverted immediately after it is expressed. Combined with the potentially overwhelming power that the recommendations would grant, it could subvert the will of both the elected representatives of the United States and the Northern Mariana Islands.

Another provision of the recommendations which would confer on the Interior Department new authority over commonwealth would require that it approve the planned use of the \$126 million for public infrastructure and private business development. If Federal approval of the projects were to be required, such approval should be granted by law.

While it is appropriate for Federal officials to review commonwealth capital development plans to ensure that the use of appropriations complies with pertinent laws, this does not vest power to make discretionary policy judgments as to which projects should be undertaken. Proposed use of the capital development assistance should be set forth in a locally determined plan, as required by the agreement,

which can be updated during the annual budget process. If proposed use of the funds is objectionable, the Secretary could propose withholding of assistance to Congress and the President.

A further concern with the recommendations is that they would have Federal law indirectly require that current commonwealth law regarding the use of capital development funds and public utilities not be amended in important respects. There is nothing wrong with making the assistance contingent upon adherence to the relevant principles behind the commonwealth laws involved. The effective limitation on the local legislative authority of the commonwealth could be broader than that, however.

Another problem with the recommendations is that some matters which should have been considered as they were developed were not.

One is that the assistance should be adequate, when combined with local revenues, to prevent the commonwealth from incurring debt to finance local government services.

A related matter is that commonwealth income taxes ought to be consistent with the requirements of the covenant and other applicable Federal law imposing a tax burden on residents of the commonwealth that is equitable in comparison to that of most Americans. This is especially relevant because Federal taxpayers are subsidizing the costs of local government that Commonwealth taxpayers cannot meet themselves.

A third matter also deals with the responsibility of the commonwealth to the rest of the American political family. Americans, including those of the commonwealth or other insular areas, should be employed to the greatest extent reasonable in the use of this Federal assistance.

A significant problem with the recommendations is that they call for amendment of the covenant. Setting aside the question of whether the covenant itself can technically be amended by us since it is not a public law, amendments to the relationship established by the covenant should only be made when imperative.

In this case, amending the covenant is not essential. The amendments that were proposed are unnecessary or broader in scope than is necessary. The recommended assistance can equally effectively be provided by amending the law approving the covenant.

It is necessary, however, to make the provision of the covenant adjusting annual Federal assistance for inflation ineffective during this second phase of assistance, however.

It is also necessary to ensure that these funds are not sequesterable under unrelated measures concerning

the Federal budget if this assistance is to be provided on a guaranteed basis, as was recommended. If we do not exempt it from Gramm-Rudman cuts, there is no guarantee that the recommended assistance will actually be provided without unnecessary judicial action.

The second part of our second amendment would, therefore, amend the second part of the Senate amendment No. 4 to substitute for section 10. The substitute would amend the law approving the covenant to add three new sections to provide the \$228 million requested by the administration.

The first of these sections would provide the assistance in the same amounts as recommended. It clarifies that any regulations which maybe applicable under law to grants of this nature do indeed apply. It neither adds to nor detracts from applicability under other laws.

Such regulations are meant to include those which are necessary for reasons of administrative procedure and to ensure the proper expenditure of funds. They could only be those which are consistent with the covenant relationship and the guaranteed nature of this assistance so that they cannot be used as a means of withholding funds for reasons related to disputes under requirements of an agreement not approved by law.

The second new section would exempt the recommended assistance from the covenant provision adjusting amounts of assistance for inflation. It would also provide that assistance for years beyond fiscal year 1992 will be at the rate of that last year of this second phase of assistance until Congress determines otherwise.

The third section is consistent with the Senate's intent on authority to withhold guaranteed assistance. It enables the administration to propose temporary withholding if it believes assistance has not properly been spent as agreed with the commonwealth with withholding possible if authorized by Congress.

We expect that the necessary authorization law could be promptly considered if need be. Because such a decision could be tantamount to actually authorizing assistance in the first place, it should be made through an authorization bill.

Consideration of an administration proposal in this regard would permit Congress to specifically consider the applicable requirement of the agreement contained in the recommendations. After hearing both sides of the dispute, a determination whether the recommended requirement should be enforced could be made by law. This should occur after Congress considers the reasons for the proposed withholding, the reasons that the Commonwealth has not complied with the proposed requirements, and the legislative

history we are creating regarding the requirements.

The second amendment would not approve the agreement but the agreement would remain an agreement between representatives of the Federal and Commonwealth executives. We anticipate that it would be followed except in the case of provisions that I have indicated we cannot endorse.

For example, capital development funds should only be expended according to planned use. Although the Secretary of the Interior is not being empowered to approve the plan, if he objects to aspects and convinces Congress that his objections are well-founded, other assistance to the Commonwealth could be temporarily withheld.

The third part of Senate amendment number four would exempt aircraft flying between the Pacific territories or Commonwealth or the entities of the Trust Territory of the Pacific Islands and Honolulu, HI, or foreign nations from the noise standards applicable to aircraft flying in the United States.

I support the intent of the Senate sponsors of this provision to increase the amount and reliability of air service in the insular areas. Separated from one another and the rest of the Nation by many miles of water, the territories and Commonwealths have a unique and tremendous dependence on air transportation.

Because it is not exaggerating to say that adequate air service can be a lifeline in these distant insular borders of our Nation and because of our fundamental responsibility for them, there is a special Federal responsibility to ensure that they are connected to the rest of the nation and their regional neighbors by regular, reasonable, and reliable transportation. We have recognized this by making Guam eligible for essential air service in circumstances which would not qualify other communities.

I also agree with the Senate sponsors that Federal noise standards which make a great deal of sense in the United States may not be appropriate in the case of insular areas. Flights between them are almost exclusively over water so little, if any, bothersome noise is actually heard. Further, since many insular airports are used by military aircraft which are not required to comply with noise standards, or are adjacent to military runways, any noise that is heard is already being created.

Enabling aircraft not in compliance with noise standards to fly in the unique situations I have identified would also not create precedents that would be applicable to flights in the United States.

Since noncomplying aircraft is a fraction of the cost of complying aircraft, using such aircraft in insular

areas could make the difference between whether service is provided or not. Complying aircraft is not cost effective between the distant, small islands involved.

The representative of American Samoa, in particular, our colleague FOFU SUNIA, as well as the representative of Guam, our colleague BEN BLAZ, have spoken convincingly of the need for measures to help provide insular area service such as what was proposed.

There are problems with the means that the Senate has chosen to assist insular air service needs, however. A number of Members of this House, including the chairman of the Subcommittee on Aviation and Members of both parties on the Committee on Interior and Insular Affairs, oppose this part of the Senate amendment.

One problem deals with the question of equity for complying aircraft serving these routes. Another problem involves the inclusion of an airport in a State. A third problem is the exclusion of the Caribbean insular areas, which face similar circumstances.

The Senate acted on this provision after its sponsors and their staff were assured that potential problems with it had been overcome. Unfortunately, they were misinformed.

We have exerted a great deal of effort to reach a compromise on this matter that takes care of its problems. I regret, however, that all persons seeking this assistance were not as willing to compromise as were all of the Members concerned with the provision.

Thus, our second amendment would delete this part of Senate amendment No. 4. While we would delete it, however, we hope that other, more appropriate, means of ensuring adequate air transportation in all of the insular areas will be devised.

In the place of the Senate's proposed section 11 we have substituted a provision which would void a recent adjustment in the minimum wage rate in American Samoa determined by a Department of Labor committee. It would also continue the minimum wage rates which were in effect at the beginning of this month until adjusted by another Department of Labor committee, which must be composed of new members.

Because of American Samoa's relatively undeveloped economy and much lower standard of living, the Federal minimum wage does not apply in the territory. Instead, special minimum wage rates are established periodically by special committees designated by the Department of Labor.

A committee that met this year for this purpose failed to adequately comprehend the reasons that Congress had determined that a special minimum wage should apply in the terri-

tory. They set rates for various categories of employees beginning on July 7 that involve excessive increases of up to 90 percent.

These rate increases could cost the territorial government \$7 million by fiscal year 1988, a cost the Federal Government might have to make up. There are also clear indications that it would also force the tuna canning industry, which directly and indirectly accounts for half of the private sector employment in the territory, to substantially shift its operations to foreign locations.

The new rates have already discouraged proposed investment from locating in the islands. They would make American Samoa more uncompetitive than it already is as a place of doing business.

Reasonable increases are warranted and we would favor increases as great as are reasonable. The proposed increases are not reasonable, however.

Legislative relief is needed because the Department of Labor takes the position that it lacks legal authority to grant administrative relief.

The substitute section 11 does not amend the Fair Labor Standards Act, nor does it modify the statutory system for periodic review and revision of minimum wages in American Samoa. It merely suspends the current wage order and continues the prior minimum wage in effect, pending the recommendations of a new industry committee convened in accordance with existing law. The order which would be voided was signed June 18 and was published in the Federal Register June 20 to take effect as early as July 9.

As this new committee considers what minimum wages are appropriate in American Samoa, they should consider the extent to which rates facilitate maximum employment; the extent to which they enable American Samoan businesses to be competitive within the region; and the potential impact on the insular and Federal budgets.

We fully recognize the general jurisdiction of the Committee on Education and Labor over measures relating to wages. We particularly appreciate the efforts to resolve this matter and the cooperation of the chairman of the Subcommittee on Labor Standards, who is also a member of the Committee on Interior and Insular Affairs, our colleague AUSTIN MURPHY. We also appreciate the statesmanship on this matter of Delegate SUNIA, who is concerned both about fair wages and maximum employment in the territory.

The fourth part of Senate amendment No. 4 would add a new section 12 which would authorize the Administrator of the Environmental Protection Agency to adjust maintenance or level of effort requirements and waive

grant eligibility limitations for sewer collectors if these limitations would hamper clean water efforts in American Samoa, Guam, the Northern Mariana Islands, the Virgin Islands, and the Trust Territory of the Pacific Islands. It is similar to a provision of a bill that passed the House in 1984 but was not acted upon by the Senate due to opposition from the EPA.

The provision is essentially EPA's proposed, narrower revision of the original House-passed provision. It is incorporated in our second amendment with clerical changes.

The authority it would grant to adjust or waive grant requirements because of unique conditions which make standards that are appropriate in the case of the States inappropriate in the case of the insular areas is consistent with a number of laws. Often the exercise of such flexibility is essential for accomplishing the purposes of requirements themselves.

It is intended that the EPA will use the flexibility granted by this provision to waive requirements, including time limitations, to alleviate threats to the public health and water quality, and to encourage the development of water treatment facilities.

The provision would also allow Federal funds to be used for the construction of sewage collection systems to receive sewage from household connections and transport it to interceptors, provided that the required findings related to threats to public health are made. The Clean Water Act does not permit use of Federal funds for the installation of house connector lines to sewage collection systems.

The fifth part of Senate amendment No. 4 would add a new section 13 which would authorize Guam to establish offices of public prosecutor and public auditor. It would do this by amending the Organic Act of Guam.

This provision has been incorporated in our amendments with minor additions. One is needed to accomplish the Senate's intent that the office can be independent of ultimate control of the Governor. The other is to clarify that the offices must be established by law, so that both the Governor and legislature have a say in their exact nature.

Although this section is needed because of a provision of the Organic Act, it has been incorporated with some reluctance. The decision it has us make is one that could be made by the people of Guam if they exercise the authority granted by law to write their own constitution.

It is clear that they have not done this pending revisions of their relationship with the United States. Because they have also clearly indicated their desire to improve this relationship by becoming a commonwealth, however, it does not seem that a constitution enacted prior to common-

wealth being established would have to be revised very much in any case.

This part of our amendments also makes clear that any change in the authority for operation of the school system also must be made by local law. In this respect, section 13 of the bill would clarify the Organic Act of Guam, as it would be amended by section 5 of the bill.

The sixth part of Senate amendment No. 4 would add a new section 14 which would correct an inconsistency in the Immigration and Nationality Act which allows alien crewmen on foreign vessels to enter Guam for shore leave while denying the same alien crewmen entry to Guam if they work on U.S.-registered vessels.

After the Senate added this provision to the bill, it passed the House as a separate measure. Because of this, the chairman of the Subcommittee on Immigration, Refugees, and International Law, our colleague, ROMANO MAZZOLI, has requested that we exclude this part of the Senate amendment from the bill.

In its place we have added a substitute for the seventh part of Senate No. 4 that also deals with an immigration matter pertaining to Guam. It was revised in cooperation with Chairman MAZZOLI and Delegate BLAZ.

The provision would revise a section of the 1984 omnibus insular areas act which authorizes the waiving of visa requirements for alien visitors to Guam of not more than 15 days. It is needed because the administration has avoided implementing the original provision.

The additions we have made to the Senate provision are principally intended to ensure that this delay does not continue. Regulations setting forth the details of the program would be required to be issued within 90 days after this legislation is enacted and annual reports on it would also be required.

The substitute also, however, excludes aspects of the Senate provision to which the administration has objected. These related to the assigning of Federal and local employees to the program.

At the same time, our second amendment retains a provision included by the Senate authorizing the use of funds which may be made available by Guam to cover program costs. While this is included to ensure that any lack of adequate Federal funding does not further delay implementation, it is not intended that the territory should bear the financial burden of this Federal responsibility.

The program authorized in 1984 was intended to be subject to the same limitation on eligible countries as a proposed pilot nationwide program. Our intent now, however, is that it not be subject to limitations which were in-

tended to govern the nationwide pilot program.

Guam's size and location provide sufficient safeguards for the welfare and security of the United States. They easily allow for preventing visa waiver recipients from traveling to Hawaii and other States. Any nonimmigrants who overstay the visa waiver period of 15 days can be quickly located and expelled. The waiver of remedies provision contained in this legislation also ensures that there will be little, if any, administrative costs attributable to appeals of entry denials.

In view of these factors, the visa waiver system should be literally applied to as many countries as possible, certainly including those which have visa denial rates through 16 percent for the preceding calendar year, such as South Korea and Taiwan. If problems develop, they can be dealt with on a country-by-country basis.

In addition to the obligations that this provision would impose on the Immigration and Naturalization Service, the program that it would establish necessarily impose responsibilities on the airlines who must cooperate with its controls, especially with regard to preclearance. The government of Guam will also need to cooperate to make this program a success.

The seventh part of our second amendment would add a new section 15 which would grant U.S. noncitizen national status to children born abroad of one U.S. noncitizen national parent who has been a long-term resident of the United States or the insular areas. It would also add a new section 16 to provide for the issuance of certificates of U.S. nationality to U.S. noncitizen nationals.

The intent of these provisions is to conform treatment of U.S. nationals to the treatment of U.S. citizens in these respects.

These provisions are included at the request of the very able Delegate from American Samoa, our colleague FORO SUNIA, who led 154 Members in sponsoring the bill that they are based upon. A substitute for that bill, H.R. 3555, has been reported by the Subcommittee on Immigration, Refugees, and International Law after having been developed through collaboration with us. The language of this section is the language of the subcommittee bill.

The understanding of Chairman MAZZOLI in the development of this provision is greatly appreciated. The jurisdiction of the Committee on the Judiciary concerning immigration and naturalization matters is fully recognized.

Several hundred long-term residents of American Samoa would be granted U.S. nationality by this section. They are presently American Samoan in every respect other than U.S. nationality.

These individuals are the offspring of American Samoans and non-American Samoans born outside of the territory because of temporary residence abroad of their parents, a circumstance that was common in the nearby islands of the region. Most have lived most of their lives in the territory and many have legal rights to communal property and Matai titles there.

This provision would enable these residents of American Samoa to take their place with other members of their community. It would enable them to vote in the territory after this year and obtain a U.S. passport.

Many of the individuals who would qualify for U.S. nationality under this provision are older and desirable records may not exist to substantiate the residency of their parents. In these cases, officials of the Department of State should rely on whatever information can be provided and use liberal discretion as they do to qualify every individual who can reasonably be presumed to be eligible.

For example, the parents of some individuals may have been born a century ago, well before the Samoan islands ceded themselves to the United States. It will be difficult for these individuals to establish both that his or her noncitizen national parent was born in the islands now comprising American Samoa and that this parent lived for 10 years in American Samoa. Anyone would have a hard time providing documentation that an ancestor had lived in a certain place 70 or 80 years ago for a continuous period of 10 years. This is especially true in an area that was unaccustomed to detailed records of civil administration in the first decades of this century.

The eighth part of the second amendment would authorize Bureau of Reclamation assistance in American Samoa, Guam, the Northern Mariana Islands, and the Virgin Islands. It would add a new section 17 to amend the law authorizing expenditures to add these insular areas to the list of applicable States.

All of the insular areas have critical water resources infrastructure needs. Some are so great as to imperil public health and impede economic development.

These islands are also almost totally dependent upon imported oil for energy production although they have significant indigenous renewable resources. It is intended that the authority granted by this section will enable and stimulate the Bureau of Reclamation to dedicate significant resources to the full range of insular needs which it has the capability to help meet.

The ninth part of the second amendment would authorize Guam to establish an independent civil service commission to administer the merit system that the legislature is required to es-

tablish. The new section 18 is included at the request of Guam's tireless representative, Delegate BLAZ, because of the question which has been raised about the territory's ability to create independent agencies.

The 10th part of the second amendment adds a new section 19 with two provisions. The first would authorize whatever appropriations may be needed to implement the requirements of this legislation. Although it is an open-ended authorization, only minimal amounts, if any, should actually be necessary.

This section would also require the payment of the full amounts required to be paid to Guam, the Northern Mariana Islands, Puerto Rico, and the Virgin Islands under the laws establishing their basic relationships with the United States, as these laws have been directly amended or supplemented. It would supercede provisions of other laws which would temporarily withhold a portion of these payments.

This provision is needed because of a technical deficiency in the Balanced Budget and Emergency Deficit Control Act of 1985. It failed to exempt these payments from sequestration even though the full amounts of almost all the payments would eventually be paid to the insular governments.

Tax collections for Puerto Rico are required by law to be placed into a trust fund, the unobligated balances of which can only and would still be released to the commonwealth. There are discrepancies between advance estimated payments of tax collections for Guam and the Virgin Islands and actual collections during any year are required to be reconciled the following fiscal year. Payment of the assistance that has been committed to the Northern Mariana Islands on a full faith and credit basis is presumably enforceable in court.

The Director of the Office of Management and Budget agrees that the sequestrability of Federal collections for the insular areas is a technical problem with the so-called Gramm-Rudman law. He notes that the funds which are being withheld "appear in the Federal budget as an incidental matter for convenience of administration rather than as a means of resource allocation" and recognizes that similar funds were exempted from sequestration.

The chairman of the Committee on the Budget has also recognized that these funds should not be subject to sequestration. The cooperation of our great colleague from Pennsylvania, BILL GRAY, in correcting this error is greatly appreciated. The representatives of the Virgin Islands, RON DE LUGO; Puerto Rico, JAIME FUSTER; and Guam, BEN BLAZ have all worked effectively to develop this provision.

In the cases of Guam, Puerto Rico and the Virgin Islands, the payments involved are Federal tax, duty, or fee collections originating in these islands. Federal insular policy has always required that revenue derived from people who have no vote in the decisions of how to spend it only be spent for their benefit. For Puerto Rico, the payments included both taxes transferred pursuant to section 9 of the Puerto Rican Federal Relations Act and custom duties transferred pursuant to section 5F of the Puerto Rican Federal Relations Act which continued provisions of the First Organic Act of Puerto Rico.

In the case of the Northern Mariana Islands, the payments are guaranteed grants. Their purpose is to raise the standard of living of the people of the islands so that they can effectively join the American community and support the costs of local government.

These payments are provided as fundamental fiscal element of the political relationships between the insular areas and the United States. Any failure to provide them could contradict not only the specific requirements involved but also call the overall relationships into question both within the islands and internationally. The potential problems are particularly serious because some of the relationships were established on a mutual agreement basis.

It should also be recognized that the 3.5 million Americans of the territories and commonwealths are among the neediest Americans. The per capita incomes of the insular areas are a fraction those of the rest of the Nation and their unemployment rates range to many times higher. Still, in most cases they do not receive the assistance exempted from deficit reduction cuts to provide a safety net for the needy.

Further, all of the insular areas already face serious budgetary problems of their own. Sequestering these funds would not alleviate the Federal deficit since the full amounts would eventually be paid; it would only exacerbate insular deficit problems.

The 11th part of our second amendment would add a new section 20 which would amend a provision of the law which approved the Compact of Free Association with the Federated States of Micronesia and the Marshall Islands. It would clarify how appropriations are to be made for programs and services required by that law. This section would also clarify that programs and services provided pursuant to that law are provided on a nonreimbursement basis.

This provision is included at the request of our dedicated colleague, JOHN SEIBERLING, who chairs the subcommittee with jurisdiction over matters concerning these governments of the Trust Territory of the Pacific Islands.

The 12th part of our second amendment would add a new section 21 which would provide judges of the U.S. District Courts of Guam, the Northern Mariana Islands and the Virgin Islands who take senior status when their terms expire with benefits equitable with those provided judges of other U.S. district courts. It would provide that they continue to receive the salary payable to Federal district judges rather than that salary only when recalled to service and an annuity at the rate of their salary when they retired at other times.

These provisions are a necessary supplement to provisions included in the 1984 Omnibus Insular Areas Act. That law expanded the jurisdiction of the Federal district courts in Guam, the Northern Mariana Islands, and the Virgin Islands and provided that the judges could take senior status in much the same manner as judges of other Federal district courts.

The need for these provisions is also suggested by another law enacted in 1984 which expanded the age and service criteria for retirement by life tenure judges. This section conforms the criteria relating to the term judges of the courts in the three insular areas to the criteria applicable to other district court judges.

Although judges of the Federal district courts in Guam, the Northern Mariana Islands, and the Virgin Islands do not have life tenure, the only meaningful distinctions between their positions and those of other Federal district judges is that they must elect senior status when their terms expire and that the jurisdiction of their courts may actually be greater because it includes local as well as Federal jurisdiction.

When the 1984 provisions expanding the jurisdiction of Federal courts in these insular areas and the positions of these judges were being considered, members of the Committee on Interior and Insular Affairs favored life tenure for these judges, as is provided for judges of the Federal district court in Puerto Rico. Administration concerns prompted a compromise with the Senate that increased the former 8-year term to the 10-year minimum needed for retirement.

Providing that these judges could elect to become senior judges at the end of their term provided possible life-time responsibility, however. Still, the 1984 law only provided that these judges receive the salary payable to Federal district judges, which other senior district judges continue to receive for life, when actually serving.

When not serving, they receive the compensation payable to Federal judges in the insular areas who fully retire. This, although it can be adjusted to meet changes in the cost of living, cannot be greater than 95 per-

cent of the salary payable Federal district court judges.

It is this inequity in the treatment of Federal district judges who retire but elect senior status which these provisions would rectify. Doing so should provide no precedent for the treatment of other Federal judges who are appointed for terms of office. This is because, as I indicated, the position of the judges of the Federal district courts in these insular areas is more similar to that of the life tenure judges of other Federal district courts than it is to the position of other judges with term appointments.

At present, there are four judges who could be affected by these provisions when they retire.

The other aspects of these provisions essentially restate, clarify, and conform present law.

This section is included at the request of our colleague from the Virgin Islands, RON DE LUGO, whose efforts have made it possible. Details on it have been worked out with the chairman of the Subcommittee on Courts, Civil Liberties, and the Administration of Justice, our colleague, BOB KASTENMEIER, whose understanding of the need it addresses is very much appreciated.

Judge Henry Feuerzeig of the Territorial Court of the Virgin Islands, who made substantial contributions to the reforms in the Federal-insular judicial relationship enacted in 1984, was a driving force behind these provisions. The contributions of Bill Weller of the administrative office of the U.S. courts also played a key role in developing this section.

This change in the treatment of senior judges in Guam, the Northern Mariana Islands, and the Virgin Islands has support in the judicial branch. Among others, the chairman of the territories subcommittee of the judicial conference, Judge Anthony Kennedy of the Ninth Circuit Court of Appeals, and Senior Judge Albert Maris of the Third Circuit Court of Appeals, who has long contributed his wisdom to matters regarding courts in the territories, were consulted.

The 13th part of our second amendment would add a new section 22. It does not concern the territories or Commonwealths but is added at the request of the ranking Republican of the Committee on Interior and Insular Affairs, our colleague, DON YOUNG, who has provided the following explanation:

This legislation amends section 2 of Public Law 94-204 to provide for expeditious payment of interest to Alaska Native Corporations. Section 2 was enacted in 1976 and was amended by section 1411 of the Alaska National Interest Lands Conservation Act in 1980.

Section 2 established an escrow account to collect and preserve for the

ultimate native landowners the proceeds that the Federal Government was receiving on lands selected by native corporations. In 1980 amendments, Congress pledged to pay interest on these proceeds, whether escrowed or not. This legislation would complete this long-delayed pledge.

The legislation directs the Department of the Interior to calculate the interest amounts owed and directs the Treasury Department to pay this amount to the affected native corporation using 31 U.S.C. 1304 funds. These amounts may be calculated and paid on a corporation-by-corporation basis, or by such other methods as will expedite payment.

The fiscal year 1986 Interior and Related Agencies Appropriation Act (Public Law 99-450) appropriated the principal amount of the proceeds identified by the Secretary of the Interior, but did not appropriate funds for interest due to unresolved issues as to how the interest would be calculated. The conference report (H.R. Rept. No. 99-450) on the Appropriation Act required the Secretary to report to Congress on resolving the interest issue. The conference report directed that compound interest—"periodic addition of accrued interest to principal"—under prevailing Bureau of Indian Affairs interest rates, be paid to "make the native corporations whole." The Secretary's report, dated July 18, 1986, ignores this directive and would award only simple interest for pre-1976 proceeds. That is not what Congress intended and this amendment would correct any latent ambiguity.

Consistent with the objective of making the native corporations whole, this legislation directs the payment of compound interest on all the proceeds. For time periods prior to January 2, 1976—the date of enactment of Public Law 94-204—the interest rate shall be the rate of compounded earnings on invested funds of the individual Indian moneys account of the Secretary of the Interior. For time periods on or after January 2, 1976, the interest rate shall be the monthly rates of return actually earned on the Alaska Native escrow account, with monthly compounding.

This legislation fairly resolves the ambiguities in the section 2 interest methodology. Portions of section 2 suggest a fixed interest rate at the time of payment—which could mean either the time of payment receipt by the Government or the time of payment to the Natives—while other portions suggest a floating interest rate determined on a semiannual basis. This legislation provides for a floating interest rate reflecting the Government's rate of return on the Native's money, so that Natives will not be penalized or receive a windfall from a fixed interest rate.

While section 2 referred to "simple interest", it also described semiannual computations, thereby suggesting that the simple interest would be reinvested or compounded every 6 months. Aside from these ambiguities, section 2(a)(2) provided a commitment to pay the money within 2 years (by 1982)—a short time where there would be no great difference between compounded and simple interest rates. This deadline was not met. Compound interest now is required to make the Natives whole, as Congress recognized in the 1985 conference report. The Government effectively earned compound interest on the Natives' money by foregoing compounded borrowing costs and denied the Natives the ability to earn compound interest, so only a compounded rate of return will make the Natives whole.

The legislation appropriately used the judgment and settlement fund of the Treasury (31 U.S.C. 1304) since the bill settles an outstanding Federal debt, avoids litigation, and settles land-related claims under the Alaska Native Claims Settlement Act. The Treasury fund also allows a more expeditious certification of interest amounts and payment to the Natives because it avoids the need for individually verified appropriations each year. The money is desperately needed by many native corporations. This bill fulfills the long-delayed legislative commitment to pay interest, and eliminates a greater Federal interest debt in the future.

Mr. LAGOMARSINO. Mr. Speaker, further reserving the right to object, this bipartisan legislation, as the gentleman from Arizona [Mr. UDALL] has pointed out, has been worked out with all concerned. It includes administrative proposals and should have a positive budgetary impact because of the new compact which it approves with the Northern Mariana Islands.

Mr. Speaker, I rise in support of H.R. 2478. A number of provisions deal with specific insular areas, while other sections of the bill affect all of the insular areas.

While I am speaking of the insular areas collectively, I want to emphasize that each of the island groups are distinct with their own strengths and needs. They each have contributed to the United States in many ways including U.S. foreign policy.

The Eastern Caribbean Center was established in the Virgin Islands by President Reagan as a link between the United States and Eastern Caribbean Island States. One section of this legislation authorizes \$1.5 for projects of the Eastern Caribbean Center in the Virgin Islands. This funding is an investment in improved Caribbean Basin relations which will generate much greater returns for the United States.

Our other American family member in the Caribbean, Puerto Rico, has also made positive contributions to our foreign policy.

Puerto Rico is not under the administration of the Secretary of the Interior. However, it is one of the insular areas and deserves the attention of the Congress. I think it is important to point out that Puerto Rico ranks 24th out of the 50 States in population size. With Puerto Rico as a State, the other body would number 102 and this body would have 442 Representatives instead of 435. The representation of those nine is currently vested in one Resident Commissioner.

It should be noted that the Resident Commissioner has limited the extension of the provisions of two sections of this legislation from applying to Puerto Rico. These are programs or activities currently available to the States which would be extended to the insular areas. However, as I stated earlier, each of the insular areas is unique with its own strengths and needs.

Recognizing that, I defer to the Resident Commissioner to decide if the Bureau of Reclamation Assistance, for the development of water supply, hydroelectric power generation, irrigation water service, water quality improvement, wind power and solar power research, fish and wildlife enhancement, outdoor recreation, flood control, and other related activities, is needed in Puerto Rico. Likewise, the provision to allow participation in the Hunter Safety Education Program may not be needed in Puerto Rico.

Therefore, I am deferring to the judgment of their elected Representative preclude Puerto Rico's inclusion. I am cognizant that Puerto Rico is treated as a State under the law for numerous provisions. I am willing to support other provisions to be extended to Puerto Rico.

The Virgin Islands and Puerto Rico are not the only contributors to U.S. foreign policy. There are three members of the American family in the Pacific who are contributing to our international activities every day. Of course, I am referring to American Samoa, Guam, and the Northern Mariana Islands. These areas proudly fly and salute the American flag, even though their white star is not on the field of blue. We are fortunate to have these islands as a part of the American family. They are each full voting members of the influential South Pacific Commission.

The colleges in American Samoa, Guam, and the Northern Mariana Islands have attracted students from throughout the Pacific Islands. It is to our benefit that these future leaders of the Pacific are learning of democracy and the free enterprise system in the U.S. Island Education Centers. They learn alongside their island

counterparts who are U.S. citizens. When they return home, they have a better understanding of the American system and are less likely to be influenced by propaganda from powers unfriendly to the United States.

The Northern Mariana Islands College is providing a needed service to the people of the islands. The college received full accreditation in 1985, and is expanding its facilities to allow for an improved curriculum. The college has an experimental farm and seeks to train individuals in agriculture. The islands have the potential to expand their agriculture industry whereby they could export to the relatively close countries of Asia. The Northern Mariana Islands is the only State or insular area without a land grant institution. There is no doubt that land grant status should be extended given the full accreditation, improved curriculum, and expanded facilities. Land grant status will continue indefinitely, provided, as stated in this legislation, that accreditation is maintained.

I feel confident the college will continue as an effective learning institution, with the continued support of the Governor and legislature of the Northern Mariana Islands.

I want to commend my colleague from Guam, BEN BLAZ, for his intense effort on behalf of this legislation. The thing in particular that impresses me about the gentleman from Guam, is not his hard work on legislation regarding Guam, nor is it his serious concern on provisions affecting the neighboring islands of the Northern Mariana Islands, or the freely associated states of Micronesia. He does an outstanding job in those areas, as should be expected of one acting on behalf of his home or region. The thing that impresses me most about BEN BLAZ is how he looks at all issues and how they affect people, States, and countries. It is not just the short-term gain he examines but the long-term effects. It is his foresight that gives me confidence in the legislation that has been developed on behalf of the insular areas. The Delegates from the various insular area have cooperated in developing a viable piece of legislation which takes care of both specific and general needs.

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Mr. Speaker, further reserving the right to object, I yield to the gentleman from Wisconsin [Mr. SENSENBRENNER].

Mr. SENSENBRENNER. Mr. Speaker, it is my understanding that there is a provision within the House amendment that takes care of the problem relating to one-parent national voting in American Samoa. Is that correct?

Mr. LAGOMARSINO. That is correct.

Mr. SENSENBRENNER. If the gentleman will yield further, let me say

that in my opinion, this is a very necessary provision, because about 400 people in American Samoa, including the mother of our Delegate from American Samoa [Mr. SUNIA] have been inadvertently disenfranchised from participating in general elections in American Samoa by something that has been in the law since 1929.

This amendment removes this egregious inequity and in my opinion is necessary legislation.

The Subcommittee on Immigration, Refugees, and International Law of the House Committee on the Judiciary did review this particular piece of legislation that has the unanimous support, including the enthusiastic support of all four members of the Republican minority.

I would like to thank the gentleman from Arizona [Mr. UDALL] and the gentleman from California [Mr. LAGOMARSINO] for expediting this piece of legislation as an amendment to the omnibus territories bill rather than us having to pass separate legislation late in the session.

Mr. LAGOMARSINO. Further reserving the right to object, Mr. Speaker, I yield to the Delegate from Guam [Mr. BLAZ].

Mr. BLAZ. Mr. Speaker, I rise in strong support of this legislation. I want to thank the gentleman from Arizona, MO UDALL, chairman of the Interior and Insular Affairs Committee, for his support and able leadership in bringing H.R. 2478 to the floor today. I also want to thank Mr. LAGOMARSINO, Mr. YOUNG, Mr. LUJAN, and my colleagues from the territories, Mr. DE LUGO, Mr. SUNIA, and Mr. FUSTER for their support.

The measure before us is the result of careful consideration and compromise, and comes to the floor with bipartisan support. It contains several items of importance to each of the territorial representatives and the American citizens from the territories and I urge approval of its passage.

Mr. Speaker, the American citizens in our territories are governed in their respective jurisdictions by the delegated power of Congress. For Guam, the instrument of local autonomy is the Organic Act which was enacted by Congress in 1950. The Organic Act established limited self-government for the island of Guam. Over the years the Organic Act has been amended in a gradual evolution toward more complete self-government for the people of Guam. H.R. 2478 follows the practice of responding to the request of the people of Guam for greater powers of self-government. H.R. 2478 also responds to the need to rationalize the application of the Organic Act to the changing circumstances of the territory by providing for the establishment of effective local mechanisms to deal with local issues. These are:

Section 5 of the bill would repeal an archaic provision of the Organic Act and would grant Guam the power to organize its public school system by local laws.

Sections 13 and 17 would amend the Organic Act by authorizing the creation by local laws of an independent public prosecutor and

public auditor and an independent civil service commission. These independent agencies would be better able to deal with local crime and corruption and to insulate Government employees from partisan politics.

The passage of this omnibus bill presents a significant opportunity to spur Guam's economic development and the growth of tourism in the territory. The omnibus bill calls for the immediate implementation of a visa waiver system for Guam. Citizens from countries having visa denial rates for the preceding year of 16 percent or less will not be required to obtain a visa prior to landing in Guam. This provision will meet the concerns for the safety and security of the United States while opening up new tourism and business markets for Guam, such as Hong Kong, Taiwan, and South Korea.

In this era of Federal fiscal restraint and burgeoning trade deficits it makes sense to encourage tourism for Guam. This tool will enable Guam to reach out on its own to the populous and prosperous nations of East Asia for new tourists. The added jobs and revenue, which growth in this industry creates, will help to cover the decrease in Federal funding. The Asian money spent in our island territory will also help to reduce the national trade imbalance. Implementation of the visa waiver in Guam is a timely and appropriate step.

These provisions and others in H.R. 2478 are of significant interest and benefits to our American citizens in Guam and the territories. I urge support and passage of this legislation.

Mr. LAGOMARSINO. Further reserving the right to object, Mr. Speaker, I yield to the gentleman from the Virgin Islands [Mr. DE LUGO].

Mr. DE LUGO. Mr. Speaker, I rise in support of H.R. 2478, and the amendments thereto offered by the gentleman from Arizona, Chairman UDALL. I commend the chairman for his leadership in steering the amendments that have made this noncontroversial, yet comprehensive response to legislative needs of the territories and commonwealths. I also thank the ranking minority members of the committee, particularly the gentleman from California [Mr. LAGOMARSINO], as well as the gentleman from New Mexico [Mr. LUJAN] and the gentleman from Alaska [Mr. YOUNG] for their interest and support. There are several sections that are of concern to my constituents, the people of the U.S. Virgin Islands, and I will discuss them briefly.

Of primary concern is section 1 of the bill, which would empower the people of the Virgin Islands to act by initiative and recall. Passage of this proposal fulfills a promise which I made to my constituents during the last campaign. It is a power exercised by a number of States, and, I believe, is in the strongest of democratic traditions. The representative process has failed. As a Representative, it is with caution that I promised to seek such authority, and it is a power that I expect will be used conservatively. My faith in representative government is tempered only by my belief that the people must have all the tools they need to make Government responsive and accountable.

Section 3 of the bill clarifies that the concurrent jurisdiction that American Samoa, Guam, and the Virgin Islands share with the Federal

Government over Federal lands in each of these insular areas is comprehensive. The amendment was originally intended to overturn a lower court decision that found that this jurisdiction did not extend to land use on a "Federal enclave"—a decision that was recently overturned on appeal. The amendment is useful, nonetheless, as it is expected to foreclose any future limiting construction of the broad jurisdiction intended.

Section 4 of the bill authorizes \$1.5 million for the Eastern Caribbean Center at the College of the Virgin Islands. The concept of the center grew out of the President's Caribbean Basin Initiative, and his reference in the early days of the CBI to the role that the U.S. Virgin Islands could play in developing an educational adjunct to the initiative. The college responded with enthusiasm. The President had suggested an expansion of what the college had always viewed as its mission: To share its resources with its neighbors in the eastern Caribbean. Making the center a reality has been difficult under the current budgetary climate. Research and curriculum development has been directed at evaluating and responding to the unique problems faced by these island nations and stressing the areas where the college has particular expertise. This has been complemented where possible with seminars and workshops. This authorization is expected to continue the programs that have already been initiated in the area's agriculture, telecommunications, and natural and human resource development. Each of these programs has been designed to meet educational needs as identified and requested by the participating eastern Caribbean nations, and are expected to benefit the economic agenda of the territory as well.

Section 6 of the bill directs the Secretary of the Interior to propose options to the Congress for the disposition of Water Island, in the St. Thomas Harbor. This island, the subject of my earlier reference to land described by a Federal district court as a "Federal enclave," has long been a sore subject in the Virgin Islands. Transferred from the Department of Defense to the Department of Interior back in 1952, the island was leased by Interior to private individuals. The theory was that the Virgin Islands would benefit from development of Water Island as a resort. The terms of the lease and the type of development that ensued, suggest a different agenda. Private homes predominate, and neither the small hotel nor the guesthouse on the island suggest the type of economic asset to the territory that would warrant the incentive provided under the terms of the lease. By directing the Secretary of Interior to propose options for the disposition of Water Island, it is expected that property interests on Water Island will be equitably resolved, that liability which the Federal Government may otherwise incur under the terms of the lease will be resolved, and most importantly that Water Island will be made an integral part of the Virgin Islands, with all open property transferred to the local government. The current situation on Water Island is simply too uncertain. Property rights are unclear, legal jurisdiction is in continual debate, and underlying the whole picture is the sense that the lease is inappropriate in that it created by its terms an exclusive enclave which has been

a source of tension both for the residents of Water Island and the community in which they seek to coexist. Last October, the Committee on Interior and Insular Affairs held an oversight hearing on the Department of Interior's administration of Water Island, at my request. Section 6 is an outgrowth of that hearing.

Section 12 grants the territories greater access to Environmental Protection Agency programs. These programs have eluded the territories in the past because of water quality grant requirements and limitations which are not appropriate. It does so by allowing EPA to adjust maintenance or level of effort requirements for waste water treatment facilities and by authorizing the Agency to waive counterproductive grant eligibility requirements for sewer collectors. It is expected that this will yield the assistance in eliminating threats to public health most consistent with the policies reflected in the Clean Water Act.

Section 16 of the bill authorizes the Virgin Islands, American Samoa, Guam, and the Commonwealth of the Northern Marianas to receive Bureau of Reclamation Assistance. This is particularly important to the Virgin Islands. Water is a scarce commodity in the territory. Thus, the desire to make agriculture a viable industry has suffered. Other industry and public consumption has been served by water production through desalination. This has been a major governmental investment. Furthermore, the territory's dated water catchment and distribution system must be repaired where possible, and, due to corrosion, replaced. Efficiency is crucial, and this provision will assure the needed direction and assistance.

Section 18 provides in part for the exclusion from sequestration orders of funds that would otherwise be covered over to Guam, Puerto Rico, and the Virgin Islands. The cover-over of these funds are integral to the formal relationship between these territories and commonwealth, and should not be diminished through general budget cutting devices. Under the territorial arrangements, these accounts were never to be considered Federal revenues, and this should not be pooled in efforts to reduce Federal outlays.

The last provision that I will comment on is section 20 which will grant to Federal district court judges in the Virgin Islands, Guam, and the Northern Mariana Islands retirement benefits equal to those provided to judges of other U.S. district courts. The provision would simply offer these judges the salary of the office when they retire, instead of limiting their benefits to the salary they had upon retirement. These judges have the same Federal jurisdiction as article III district court judges, plus significant local jurisdiction. It simply is not fair to discriminate against them in retirement. The provision is supported by the judicial conference. Its budgetary impact is nil, and will remain so until the salaries of district court judges is raised and one of the four judges covered by the provision retires. Currently, only one of them is eligible to do so.

I urge my colleagues to support H.R. 2478. It represents the careful efforts of Members from both sides of the aisle to respond to the unique issue affecting the U.S. insular areas. To the extent this goal could be met in a non-controversial product, H.R. 2478 is successful.

Mr. LAGOMARSINO. Mr. Speaker, further reserving the right to object, I yield to the gentleman from Ohio [Mr. SEIBERLING].

Mr. SEIBERLING. Mr. Speaker, I rise in support of this very meritorious piece of legislation.

Mr. Speaker, the amendment to Public Law 99-239 in section 20 of the omnibus territories bill (H.R. 2478) is an amendment designed to clarify congressional intent regarding some provisions in the Compact Act of 1985 that was signed into law this past January. The language contained herein was worked out on a bipartisan basis by the staffs of the House Interior and Insular Affairs Committee and the Senate Energy and Natural Resources Committees.

The first part of the amendment clears up some ambiguities concerning the language of section 105(b)(2). It makes it clear that programs or services to be provided by or through Federal agencies or officials—other than Interior, such as Public Health Service—to the FSM and Marshalls' governments under Public Law 99-239 will continue to be funded and administered by those other agencies or officials. In other words, their funds do not have to be part of the budget of the Department of the Interior.

Second, subsection B clarifies the fact that certain Federal programs and services under the Compact Act of 1985 were meant by Congress to continue to be funded by the U.S. Government. It was never meant, for example, that the Micronesians would have to pay for the continued services and programs of the Public Health Service for the duration of the compact. If there was anything the committees agreed on, it was that these programs were meant to be extended on a non-reimbursable basis. There was never any argument about this matter. So all we are doing here is underlining congressional intent on this critical matter so that there is no doubt in the minds of anyone in the administration what we had in mind in the first place.

Mr. LAGOMARSINO. Mr. Speaker, further reserving the right to object, I yield to the gentleman from American Samoa [Mr. SUNIA].

Mr. SUNIA. Mr. Speaker, I have had the pleasure of working with two distinguished chairmen in preparation for this day. The Honorable MORRIS K. UDALL, of Arizona, and the honorable ROMANO L. MAZZOLI, of Kentucky, have earned for themselves a hallowed place in the lives of the residents of my islands. I commend also the work of the honorable ROBERT LAGOMARSINO, and his deep understanding of the problems and concerns of Americans in our territories.

By means of H.R. 2478 my territory will have concurrent civil and criminal jurisdiction with the United States over property reserved or controlled by the United States in American Samoa.

In addition, from this bill American Samoa will receive one third of a State's allocation under the Justice Assistance Act, which helps to cope with growing crime problems.

This omnibus territories bill grants American Samoa one-sixth of 1 per centum of the funds available under the Hunter Safety Program of the Federal Aid in Wildlife Restoration Act of 1937. This assistance will provide education to teach hunters how to hunt safely.

Under H.R. 2478 the Administrator of the Environmental Protection Agency [EPA] will have the flexibility to modify certain water quality grant requirements and limitations which he determines inappropriate to conditions in American Samoa. The Administrator of the EPA may use his flexibility to waive requirements, including time limitations on grants, to alleviate threats to the public health and quality and to encourage the development of water treatment facilities. This provision would allow Federal funds to be used for the construction of sewage collection systems.

Through the kindness of the Honorable GEORGE MILLER, of California, who chairs the Subcommittee on Water and Power, this bill will authorize the Secretary of the Interior to provide water resource research, planning and management assistance in American Samoa. The Secretary's assistance will promote solutions which encourage small-scale, resource-conserving projects suited to the needs of my constituency.

By means of two sections of this bill an alien might become a U.S. noncitizen national if he or she had one U.S. noncitizen national parent who met certain qualifications. Prior to the birth of his or her alien child, the noncitizen national parent must have been physically present in the United States, the District of Columbia, Puerto Rico, the Virgin Islands, Guam or American Samoa for no less than 7 years in any continuous period of 10 years. During that period the noncitizen national parent cannot have left the United States or American Samoa for a continuous period of more than 1 year. At least 5 years of the 10-year period must have occurred after the noncitizen national parent attained the age of 14 years.

H.R. 2478 contains a provision that a person who claims to be a noncitizen national under this bill must prove that he or she is such to the satisfaction of the Secretary of State. What the applicant must establish to the Secretary's satisfaction is that he or she had one noncitizen national parent who had been physically present prior to the applicant's birth in the United States, the District of Columbia, Guam, Puerto Rico, the Virgin Islands or American Samoa for 10 years, 5 years after the parent attained the age of 14 years.

A problem may arise for an applicant who was born prior to the 1930's. His or her noncitizen national parent could have been born as long ago as the 1870's or 1880's. It will be difficult for such an applicant to establish both that his or her noncitizen national parent was born in the islands now comprising American Samoa and that this parent lived for 10 years in American Samoa. The latter would require the applicant to furnish proof of residence in these islands as early as the first decade of this century.

Regardless of what part of the world one is considering, anyone would have a hard time providing documentation that an ancestor had lived in a certain place 70 or 80 years ago for a continuous period of 10 years. It is especially so in an area that in the first decades of this century was unaccustomed to detailed records of civil administration.

As the sponsor and author of these sections of H.R. 2478, I urge the Secretary of State to understand the circumstances of an applicant who will have to supply proof of his or her parent's continuous residence so many decades ago. I request that the Secretary allow greater leniency for such an applicant than for one who will need to prove his or her parent's continuous residence in a later decade of this century.

Mr. LAGOMARSINO. Further reserving the right to object, Mr. Speaker, I yield to the gentleman from Puerto Rico [Mr. FUSTER], the Resident Commissioner.

Mr. FUSTER. Mr. Speaker, I rise in support of the bill. I want to thank the chairman, Mr. LAGOMARSINO, and Mr. YOUNG of Alaska, and Mr. GRAY for the support they have given us in this piece of legislation that is very important for the Commonwealth of Puerto Rico.

Mr. Speaker, I would like to thank Chairman MO UDALL of the Interior Committee, Chairman BILL GRAY of the Budget Committee, and a bipartisan group of my colleagues, JOHN SEIBERLING, ROBERT LAGOMARSINO, DON YOUNG, RON DE LUGO, BEN BLAZ, and FOFU SUNIA, who joined forces to approve today H.R. 2478, a very important piece of legislation to the 3.5 million American citizens of Puerto Rico and to the citizens of the Virgin Islands, Guam, and American Samoa.

On its face, Mr. Speaker, the provision of H.R. 2478 regarding Puerto Rico does not appear to have a very large import. It merely corrects a technical deficiency in the Balanced Budget and Emergency Deficit Control Act of 1985, pursuant to which Internal Revenue collections for Puerto Rico are temporarily sequestered to become available for obligation the following fiscal year. The provision in H.R. 2478 would do away with what is in effect a 1-year deferral of the funds in question.

However, to us in Puerto Rico much more than a technical correction is at issue. To us this action by the Congress is a reaffirmation of a commitment made by the United States to the Commonwealth of Puerto Rico during the previous several decades.

The importance of this matter was recognized early on this year when Majority Whip THOMAS S. FOLEY, Budget Committee Chairman WILLIAM GRAY, and the Interior Committee Chairman MO UDALL went on record to state that the Internal Revenue collections for the Commonwealth of Puerto Rico should be fully paid into the treasury of Puerto Rico notwithstanding Public Law 99-177 or any other provision of law.

It was also recognized in the U.S. Senate, in Report 99-301 which accompanies the urgent supplemental appropriations bill for

1986. These and other statements from congressional sources acknowledge:

First, that the cover-over to the Puerto Rican treasury of Internal Revenue collections was established to compensate Puerto Rico for a serious limitation imposed upon it when it was annexed to the United States in 1898; that is, its inability to impose and collect customs duties on foreign imports. To remedy this situation Congress enacted in 1917 the cover-over provision which requires that funds collected from excise taxes and custom duties be returned to the treasury of Puerto Rico, after collection costs are deducted.

Second, that this cover-over provision was not created for Federal revenue purposes. Indeed, as the Director of the Office of Management and Budget, Mr. James Miller III has stated, the funds in question "appear in the Federal budget as an incidental matter for convenience of administration rather than as a means for resource allocation."

Third, that this fiscal arrangement is an integral part of the relationship between the United States and Puerto Rico and has been consistently honored by the United States for seven decades now. Any definite action to alter it could call the overall relationship into question both in Puerto Rico and internationally.

In providing for full and immediate payment of the funds in question, H.R. 2478 restores full validity to the cover-over arrangement that is so important to United States-Puerto Rico relations. That is why, as I said before, Mr. Speaker, this is a vital matter to Puerto Rico which goes beyond the strictly technical matter it deals with.

I hope that once approved by this House, it will also be expeditiously approved by the Senate and signed into law by the President of the United States.

Mr. LAGOMARSINO. Mr. Speaker, further reserving the right to object, I yield to the gentleman from the Virgin Islands [Mr. DE LUGO].

Mr. DE LUGO. Mr. Speaker, I would like to pay special thanks to the chairman of the Subcommittee on Courts, Civil Liberties and the Administration of Justice, the gentleman from Wisconsin [Mr. KASTENMEIER] for his help in working out a piece of legislation that was of tremendous importance to all of the territories.

Mr. LAGOMARSINO. Mr. Speaker, I withdraw my reservation of objection, and I urge support of the bill.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Arizona?

There was no objection.

The SPEAKER pro tempore. Is there objection to the initial request of the gentleman from Arizona [Mr. UDALL]?

There was no objection.

A motion to reconsider was laid on the table.

PERMISSION FOR COMMITTEE ON AGRICULTURE TO HAVE UNTIL MIDNIGHT, SATURDAY, AUGUST 2, 1986, TO FILE REPORTS ON H.R. 5242 and H.R. 5288

MR. DE LA GARZA. Mr. Speaker, I ask unanimous consent that the Committee on Agriculture may have until midnight tomorrow, Saturday, August 2, 1986, to file a report on the bills, H.R. 5242 and H.R. 5288.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Texas?

There was no objection.

TREASURY, POSTAL SERVICE AND GENERAL GOVERNMENT APPROPRIATIONS ACT, 1987

Mrs. BURTON of California. Mr. Speaker, by direction of the Committee on Rules, I call up House Resolution 521 and ask for its immediate consideration.

The Clerk read the resolution, as follows:

H. Res. 521

Resolved, That all points of order against consideration of the bill (H.R. 5294) making appropriations for the Treasury Department, the United States Postal Service, the Executive Office of the President, and certain Independent Agencies for the fiscal year ending September 30, 1987, and for other purposes, for failure to comply with the provisions of clause 2(l)(6) of rule XI and clause 7 of rule XXI are hereby waived. During the consideration of the bill all points of order against the following provisions in the bill for failure to comply with the provisions of clause 2 of rule XXI are hereby waived: beginning on page 5, line 7 through page 7, line 6; beginning on page 30, lines 12 through 24; and beginning on page 58, lines 14 through 22.

The SPEAKER pro tempore. The gentleman from California [Mrs. BURTON] is recognized for 1 hour.

Mrs. BURTON of California. Mr. Speaker, I yield the customary 30 minutes to the gentleman from Missouri [Mr. TAYLOR] for the purpose of debate only, pending which I yield myself such time as I may consume.

Mr. Speaker, House Resolution 521 waives points of order against H.R. 5294. Clause 2(L)(6) of rule XI and clause 7 of rule XXI are waived against consideration of the legislation. These rules require that committee reports and relevant materials be available for 3 days. Since the Appropriations Committee filed the report on this bill on July 30, the report has not been available for the required time. The rule also waives points of order against specified paragraphs of H.R. 5294.

Since general appropriation bills are privileged under the rules of the House, this resolution does not provide for any special guidelines for the consideration of the bill. Provisions relating to time for general debate are not

included in the rule. Customarily, Mr. Speaker, general debate time is limited by a unanimous-consent request by the floor manager prior to the consideration of the bill.

Mr. Speaker, this resolution waives clause 2 of rule XXI, which prohibits unauthorized appropriations and legislative provisions in general appropriation bills against certain paragraphs in the bill. The specified paragraphs which have been protected by this waiver are detailed in the rule, by reference to page and line numbers in the bill.

Mr. Speaker, H.R. 5294 appropriates \$13.8 billion in new budget authority for the Department of the Treasury, the U.S. Postal Service, various offices in the Executive Office of the President and various independent agencies. H.R. 5294 consists of six titles. Title I would appropriate \$6.2 billion for the Department of the Treasury. Title II would appropriate \$690 million for the U.S. Postal Service. Title III contains \$95 million for the Executive Office of the President. Title IV contains \$6.8 billion for various independent agencies such as the General Services Administration, the Office of Personnel Management, the civil service retirement and disability fund, and the Federal Elections Commission. Titles V and VI contain general provisions.

Mr. ROYBAL and his subcommittee is to be complimented on their efforts to bring this measure before us in a timely manner. The rule provides only those waivers that are necessary for the expeditious consideration of this bill and I urge my colleagues to adopt the resolution.

□ 1130

Mr. TAYLOR. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, House Resolution 521 waives certain points of order against consideration of the Treasury, Postal Service, and general Government appropriations bill for 1987.

This resolution, which I support, provides for timely consideration of the bill, H.R. 5294. The rule waives points of order that would otherwise lie against consideration of the bill under clause 2(l)(6) of rule XI, and clause 7 of rule XXI.

Neither the bill, nor the committee report, nor the printed committee hearings has been available for the required 3 days, and the Committee on Appropriations has been asked to proceed with the bill today.

Mr. Speaker, the rule also waives certain points of order that would otherwise lie against several provisions of the bill for failure to comply with clause 2 of Rule XXI.

The bill appropriates funds for four paragraphs, which are specified in the rule, for which authorizing legislation has yet to be enacted. In addition,

three of the specified paragraphs do contain provisions and restrictions that are legislative in nature.

Mr. Speaker, I am not going to take the time to cover the specific provisions which are protected from points of order by this rule.

I do want to point out, however, that the Committee on Rules provided only the waivers that were requested by the chairman of the Committee on Appropriations, the gentleman from Mississippi [Mr. WHITTEN].

Mr. Speaker, I also want to point out that there are 20 pages of other legislative limitations and restrictions which are not protected from points of order by this rule.

Mr. Speaker, the chairman and ranking Republican member of the Treasury, Postal and General Government Subcommittee, the gentleman from California [Mr. ROYBAL] and the gentleman from New Mexico [Mr. SKEEN] limited their request for waivers to the ones we included in this rule.

Mr. Speaker, H.R. 5294 appropriates \$13.8 billion for the Treasury Department, the Postal Service, the Executive Office of the President, and various independent agencies for fiscal 1987.

The bill is \$938 million more than the administration's budget request, and is \$738 million higher than our current appropriations for items covered by the bill.

Mr. Speaker, the Committee on Appropriations exceeded the administration's request primarily because of the three items:

A \$650 million appropriation to the Postal Service in order to maintain current nonprofit mail rates until October 1, 1987.

Roughly \$100 million worth of increases for the Customs Service.

Increases of \$150 million above the request for the Internal Revenue Service.

Mr. Speaker, there are over 50 legislative provisions that limit or restrict the use of funds which are not protected from points of order. For the most part, these are found beginning on page 39 of the reported bill and they run for 20 pages.

I think it is significant that the Committee on Rules did not protect these from points of order, although we did find it necessary to conduct a second meeting late yesterday afternoon to provide a waiver for section 619 of the bill.

Mr. Speaker, section 619 of the bill relates to rules and regulations of the Office of Personnel Management dealing with the Government's charity drive, the Combined Federal Campaign.

Mr. Speaker, Members who oppose the language added by the Committee on Appropriations will have ample op-

portunity to make their relevant points of order.

I support this rule so we may get on with considering the bill.

Mr. Speaker, I yield such time as he may consume to the gentleman from New Mexico [Mr. SKEEN], the ranking member of the Subcommittee on Appropriations for Treasury and Postal Service.

Mr. SKEEN. I thank the gentleman for yielding this time to me.

Mr. Speaker, I want to urge my colleagues to support this rule. I think it is a fair rule. Given the complexities of the report in this appropriations, which is Treasury, Postal Service, and General Government, some 64 agencies involved, it is a very complex and complicated piece of work.

The committee itself has operated very well, and I think this is due to the able leadership of the chairman, Mr. ROYBAL of California, who has done an outstanding job. Of course, all the committee members have worked very hard on this bill. It takes a long time to go through the hearing process for that many separate agencies.

It gives you a real insight into Government operations in total while dealing with this particular subcommittee.

I just want to say that the rule that was crafted, I think, is fair. It gives everybody a chance; if you have something you do not like in this bill you have the opportunity to discuss it. It is open.

There were some waivers granted. That is going to cause some discussion, I am sure, but that is what this process is all about.

I think it is a good rule, it is an open rule insofar as it could be handled under the peculiarities of this particular type of approach to appropriations.

I want to commend the Committee on Rules again.

I thank the Speaker.

Mr. TAYLOR. Mr. Speaker, I yield 2 minutes to the gentleman from North Carolina [Mr. COBEY].

Mr. COBEY. Mr. Speaker, I am taking this time to ask my colleagues to join me in defeating the motion to rise today on the Treasury/Postal Service bill. I would like to have the opportunity to offer an important amendment. My amendment would instruct the Federal Election Commission to comply with the recent Supreme Court decisions where the Court ruled that expenditures of forced union dues for political purposes violates the constitutional rights of dissenting workers.

I had hoped for open debate on statutory remedies to this injustice, but unfortunately we have not had an amendable FEC reauthorization bill before this House.

Please join me today in opposing the motion for the Committee of the

Whole House to rise prior to consideration of my amendment.

Mr. TAYLOR. Mr. Speaker, I have no further requests for time, and I yield back the balance of my time.

Mrs. BURTON of California. Mr. Speaker, I have no further requests for time, and I move the previous question on the resolution.

The previous question was ordered.

The SPEAKER pro tempore (Mr. NATCHER). The question is on the resolution.

The question was taken; and the Speaker pro tempore announced that the ayes appeared to have it.

Mr. FRENZEL. Mr. Speaker, I object to the vote on the ground that a quorum is not present and make the point of order that a quorum is not present.

The SPEAKER pro tempore. Evidently a quorum is not present.

The Sergeant at Arms will notify absent Members.

The vote was taken by electronic device, and there were—yeas 278, nays 92, not voting 61, as follows:

[Roll No. 279]

YEAS—278

Ackerman	Dorgan (ND)	Jeffords
Akaka	Downey	Jenkins
Alexander	Duncan	Johnson
Anderson	Durbin	Jones (NC)
Andrews	Dwyer	Jones (OK)
Anthony	Dyson	Jones (TN)
Applegate	Eckart (OH)	Kanjorski
Aspin	Edwards (CA)	Kaptur
Atkins	Edwards (OK)	Kastenmeier
AuCoin	Erdreich	Kennelly
Barnard	Evans (IL)	Kildee
Bateman	Fazio	Kindness
Bates	Feighan	Kieciska
Beilenson	Fish	Kolter
Bennett	Flippo	Kostmayer
Bentley	Florio	LaFalce
Bereuter	Poglietta	Leach (IA)
Billrakis	Foley	Lehman (CA)
Boehrlert	Ford (MI)	Lehman (FL)
Boggs	Frank	Leland
Boland	Franklin	Lent
Bonior (MI)	Fuqua	Levin (MI)
Bonker	Gallo	Levine (CA)
Borski	Garcia	Lewis (FL)
Bosco	Gaydos	Lipinski
Brooks	Gejdenson	Lloyd
Bruce	Gephardt	Loeffler
Burton (CA)	Gibbons	Long
Bustamante	Gilman	Lowery (CA)
Byron	Glickman	Lujan
Callahan	Gonzalez	Luken
Carper	Goodling	MacKay
Carr	Gordon	Manton
Chandler	Gradison	Markey
Chapman	Gray (IL)	Martin (NY)
Chappell	Gray (PA)	Martinez
Clinger	Green	Matsui
Coleman (MO)	Guarini	Mavroules
Coleman (TX)	Gunderson	Mazzoli
Collins	Hall (OH)	McCloskey
Conte	Hall, Ralph	McCurdy
Coughlin	Hammerschmidt	McDade
Coyne	Hatcher	McEwen
Crockett	Hawkins	McGrath
Daniel	Hayes	McHugh
Darden	Hefner	McKinney
Daschle	Hendon	McMillan
Davis	Hertel	Miller (CA)
de la Garza	Horton	Miller (OH)
Dellums	Howard	Mineta
Derrick	Hoyer	Mitchell
Dickinson	Hubbard	Moakley
Dicks	Huckaby	Molinar
Dingell	Hughes	Mollohan
DioGuardi	Hutto	Montgomery
Donnelly	Jacobs	Moody

Morrison (CT)	Rose	Swift
Morrison (WA)	Rostenkowski	Swindall
Mrazek	Roth	Synar
Murphy	Roukema	Tallon
Murtha	Rowland (CT)	Tauke
Myers	Rowland (GA)	Tauzin
Natcher	Roybal	Taylor
Nelson	Russo	Thomas (GA)
Nielson	Sabo	Torres
Nowak	Savage	Torricelli
Oakar	Saxton	Traffant
Oberstar	Schneider	Traxler
Obey	Schroeder	Udall
Olin	Schuetter	Valentine
Ortiz	Schulze	Vento
Owens	Schumer	Visclosky
Panetta	Seiberling	Volkmer
Pashayan	Sharp	Waldon
Pease	Sikorski	Walgren
Penny	Skeen	Watkins
Pepper	Slattery	Weaver
Perkins	Smith (FL)	Weiss
Pickle	Smith (IA)	Wheat
Price	Smith (NE)	Whitley
Pursell	Smith (NJ)	Whitten
Rahall	Snowe	Wilson
Rangel	Snyder	Wise
Ray	Solarz	Wolpe
Regula	Spratt	Wortley
Reid	St Germain	Wright
Richardson	Staggers	Wyden
Rinaldo	Stallings	Yates
Ritter	Stark	Yatron
Robinson	Stokes	Young (AK)
Rodino	Stratton	Young (FL)
Roe	Studds	Young (MO)
Rogers	Sundquist	

NAYS—92

Archer	Henry	Petri
Armey	Hiller	Porter
Bartlett	Holt	Quillen
Barton	Hopkins	Ridge
Biiley	Hunter	Roberts
Boulter	Hyde	Roemer
Broomfield	Ireland	Schaefer
Brown (CO)	Kasich	Sensenbrenner
Burton (IN)	Kolbe	Shaw
Chappie	Kramer	Shumway
Cheney	Lagomarsino	Shuster
Coats	Latta	Siljander
Cobey	Lewis (CA)	Slaughter
Coble	Lightfoot	Smith, Robert
Combust	Lott	(NH)
Courter	Lowry (WA)	Smith, Robert
Craig	Lungren	(OR)
Crane	Mack	Solomon
Dannemeyer	Madigan	Spence
Daub	Marlenee	Stangeland
DeLay	Martin (IL)	Stenholm
DeWine	McCain	Strang
Dreier	McCandless	Stump
Eckert (NY)	McCollum	Sweeney
Emerson	McKernan	Thomas (CA)
Evans (IA)	Meyers	Vander Jagt
Fawell	Michel	Vucanovich
Fiedler	Miller (WA)	Walker
Fields	Monson	Weber
Frenzel	Moorhead	Whittaker
Gekas	Oxley	
Gregg	Packard	

NOT VOTING—61

Annunzio	Dowdy	Mikulski
Badham	Dymally	Moore
Barnes	Early	Neal
Bedell	Edgar	Nichols
Berman	English	Parris
Bevill	Fascell	Rudd
Biaggi	Ford (TN)	Scheuer
Boner (TN)	Fowler	Shelby
Boucher	Frost	Sisisky
Boxer	Gingrich	Skelton
Breaux	Grothberg	Smith, Denny
Brown (CA)	Hamilton	(OR)
Bryant	Hansen	Towns
Campbell	Hartnett	Waxman
Carney	Hillis	Whitehurst
Clay	Kemp	Williams
Coelho	Lantos	Wirth
Conyers	Leath (TX)	Wolf
Cooper	Livingston	Wylie
Dixon	Lundine	Zschau
Dornan (CA)	Mica	

□ 1155

So the resolution was agreed to.

The result of the vote was announced as above recorded.

A motion to recommit was laid on the table.

Mr. ROYBAL. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H.R. 5294) making appropriations for the Treasury Department, the U.S. Postal Service, the Executive Office of the President, and certain independent agencies, for the fiscal year ending September 30, 1987, and for other purposes; and, pending that motion, Mr. Speaker, I ask unanimous consent that general debate be limited to not to exceed 1 hour, the time to be equally divided and controlled by the gentleman from New Mexico [Mr. SKEEN] and myself.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from California?

There was no objection.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from California [Mr. ROYBAL].

The motion was agreed to.

□ 1158

IN THE COMMITTEE OF THE WHOLE

Accordingly, the House resolved itself into the Committee of the Whole House on the State of the Union for the consideration of the bill, H.R. 5294, with Mr. BEILENSEN in the chair.

The Clerk read the title of the bill.

By unanimous consent, the first reading of the bill was dispensed with.

The CHAIRMAN. Under the unanimous consent agreement, the gentleman from California [Mr. ROYBAL] will be recognized for 30 minutes, and the gentleman from New Mexico [Mr. SKEEN] will be recognized for 30 minutes.

The Chair recognizes the gentleman from California [Mr. ROYBAL].

Mr. ROYBAL. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, the Treasury, Postal Service and General Government Subcommittee presents a bill for your consideration that provides \$13.8 billion in recommended appropriations for 1987. This is an increase of \$938.2 million over the budget, \$753.1 million over 1986, and \$3 million under 302(b) allocation for discretionary items.

The departmental amounts are as follows: For the Treasury Department, \$6.2 billion, which is an increase of \$286.5 million over the budget, and \$608.4 million over 1986. For the Executive Office of the President, we have appropriated \$95.5 million, a reduction of \$4.2 million below the budget, and \$2.3 million over 1986.

For independent agencies covered by this bill, such as GSA, the Office of

Personnel Management, the Tax Court and others, \$6.8 billion, which is an increase of \$7.2 million over the budget, and \$753 million over 1986. Mr. Chairman, I have stated right along that we are \$938.2 million over the budget. Now this is due to the fact that there has not been any budget recommendation for revenue foregone, that is, for the Post Office and that amounts to \$650 million.

The budget recommended a decrease of 1,547 positions for the Customs Service. We, in turn, have restored those positions and have appropriated an additional \$100 million to add an additional 850 positions.

For Internal Revenue Service, we have appropriated an additional \$150 million over the budget. These three additions amount to \$900 million, which takes up \$900 million of the \$938.2 million that we exceed the budget recommended by the administration.

I would like to explain the reasons for these increases. In the U.S. Customs Service, the committee recommends \$100 million above the budget in order to bring the U.S. Customs staffing to a level that is adequate to prevent the influx of massive amounts of drugs and other contraband into this country.

In response to the Gramm-Rudman sequestration, the Customs Service proposed to reduce on-board staffing by 777 positions. And in addition to that, the 1987 Customs budget recommended a further reduction of 770 positions. This is a total of 1,547 positions below the present level of staffing that the administration wanted to cut.

The committee disallowed the proposed reduction and added 850 new positions. The committee believes that the high level of drug abuse and the related crime in this country requires a strong law enforcement effort to stem the tide of illicit drugs coming into the United States. The recommended increases would also expedite the processing of visitors to this country, and of our own citizens that are returning from abroad.

Further, this increase would also expedite the processing of commercial goods being imported, and also help prevent, of course, the illegal exportation of high-technology items that may be going to unfriendly countries.

I might also point out that the U.S. Customs Service is the second largest producer of revenue for the Government, and that it brings into the Treasury of the United States more than \$12.5 billion per year.

The main objective of the committee's increase in this amount and in the additional staffing is to do something about the flow of narcotics. I do not believe that there is a single school, public or private, in the United States, regardless of its status, that

does not have a problem with regard to narcotics in the school somewhere.

□ 1205

I think that narcotics is actually undermining the moral fiber of our Nation, and a great deal has to be done by the United States to stem the flow of narcotics. The leadership of the House has gotten together now to initiate an effort to do something about narcotics. And why should we, the Members of the House of Representatives, not also join in that effort by putting money in that very department that deals with the interdiction of narcotics? That is why that amount is in this bill, \$100 million more than was recommended in the budget itself.

Now, in the Internal Revenue Service, the committee added \$150 million above the President's budget to fund an additional 3,500 positions above the President's request.

The Members probably remember that during last year's season a breakdown in the tax processing system occurred and resulted in many thousands of taxpayers not receiving their tax refunds in a timely fashion. The truth of the matter is that the mechanism broke down. Not enough personnel were available to do the job. There was not enough money to pay for the computers and for the things that were needed to do the job adequately.

Last year in the regular 1986 bill that this committee reported out and that the House passed last summer, we had provided funds in excess of the President's budget because our review and our analysis at the time indicated that the Internal Revenue Service was underfunded for 1986, and the committee was correct. As late as last fall the administration was still expressing opposition to the higher amount for IRS that the House had included in the Treasury bill. After the Treasury bill for 1986 was vetoed by the President, funding for the IRS was reduced to bring the bill within a level of funding acceptable to the administration.

But then in January of this year we received a request, an urgent request, to fund an additional \$340 million for IRS, which was almost the exact amount that had been recommended by the committee and the amount that had been vetoed.

The subcommittee now recommends including \$150 million above the President's budget in spite of the fact that the Committee on Ways and Means, which is actually the authorizing committee, recommended to us, to the Committee on Appropriations, that we add not \$150 million but \$550 million, and that we add not just 3,500 positions but, as they recommended, that we add 12,000 positions. But we could not do that, and we could not do that because we have to be below the

302(b) allocation. And that is exactly what this committee has done.

The subcommittee believes that increased staffing levels for the services are essential to achieve more responsive and effective administration of the tax system in the collection of additional revenues. I was told by the chairman of one of the authorizing committees that this department brings into the Treasury anywhere between 18 and 21 times the amount that we spend to operate it. In other words, let us just say it is \$18 for every dollar that is invested.

Mr. Chairman, I think that I have clearly discussed at least the coverage up to \$900 million. But there are the other amounts that we have increased. This is for Customs Service air interdiction. This is to provide additional air interdiction for narcotics, for nothing else. For that we appropriate an additional \$12.5 million. For Secret Service, it is \$3.6 million. This is to restore counterterrorist funds.

Now, I do not know of anyone in this House who would like to delete these moneys for counterterrorist funds. I do not think that we do.

We must also provide moneys to continue our construction that we have already started at Beltsville for law enforcement training, and for that we put in \$6 million. For Alcohol, Tobacco and Firearms, we put in \$12 million, and this is to restore cigarette smuggling funds and to provide for increased law enforcement activity.

Now, for the Federal Law Enforcement Center, which is most important, we put in an additional \$8.6 million, and this is for the purpose of restoring antiterrorist training and basic training.

Now, I ask, how can we do anything about terrorism if we do not train our personnel? The reason we put this money in is because we believe it is necessary to train our own personnel. So we include in that \$8.6 million.

Then for the General Services Administration, we include \$5 million. This is for strategic materials for research facilities. For the National Historical Publications and Records Commission, we added \$4 million.

This is the full amount that we appropriated, which exceeds the recommendation of the President, and I do not see any one item here that should not have been increased because each one of these items has to do with the security of this Nation.

We do not like the idea of coming before the House and telling our colleagues that we are over this budget, over the recommended budget. We do not like it, but the truth of the matter is that we find it necessary, and it is necessary because what we as a committee have done is based not only on what we as a collective committee have decided, but that decision has been based on the recommendations

made by the authorizing committees, and their recommendations are based on hearings that have been held and research that they have done. Their recommendations are just and are fair, and we believe that we have the responsibility to comply with their requests as much as we possibly can, even though in this instance we were not able to do it 100 percent.

Mr. Chairman, I would like to thank the Members of my committee. We have gone through a tremendous period of give and take, and there has been opposition. Again on their behalf I must say that we do not like this idea of coming in with a recommendation that is above the budget, but this recommendation is the collective opinion of these Members who sat and deliberated for hours and finally came up with a recommendation.

I would like to thank the gentleman from Hawaii [Mr. AKAKA], the gentleman from Maryland [Mr. HOYER], the gentleman from Massachusetts [Mr. BOLAND], and the gentleman from Illinois [Mr. YATES], as well as the ranking minority member, the gentleman from New Mexico [Mr. SKEEN], the gentleman from California [Mr. LOWERY], and the gentleman from Virginia [Mr. WOLF] for the very fine job that has been done.

Mr. Chairman, I present this bill for the consideration of the Members and ask for their support.

Mr. SKEEN. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, I want to begin by commending the gentleman from California [Mr. ROYBAL], the chairman of this subcommittee. It has been a real pleasure working with him. My entire tenure on the committee began just a short time ago, and I think I have learned a great deal. I have great admiration for the fairness of this gentleman, the chairman of the subcommittee, and also for the colleagues that we work with, both on the majority and the minority sides in this committee.

It might be well at this point for me just to make the point that this is one of the most unusual subcommittees probably in the Congress of the United States, and that is because the Subcommittee on Treasury, Postal Service, and General Government deals with some 64 different agencies. If one wants to learn about government and government spending, I think this is the place where one would get more insight and more experience on how this is handled than any other, because it is a diverse subcommittee, and it handles a large number of activities in government operation from the executive branch, of course, to Treasury and Postal, of course, and many other agencies. This is a tough committee to serve on because you spend a great deal of time in hearings

and you have to have that kind of input to make these determinations.

We hear a lot about the problems of the budget. Everybody wants to cut money. We all talk about cutting. That is the great cry around here. On the other hand, there are committees—and the Committee on Appropriations is one—that have to decide where we are going to spend the money, because if we are not going to shut government down entirely, we have to come up with a plan for the orderly expenditure of funds. I think that is what this subcommittee has tried to do in this bill.

□ 1215

It is a good mix. It is a good experience. I think the committee members from the full committee level all the way down under the able leadership of our chairman, the gentleman from Mississippi [Mr. WHITTEN] have done an outstanding job, keeping in mind that we have restraints to operate under, yet we have got to make this Government work.

This bill I think is equitable. It has been well-crafted and I think it addresses the problems that we face today.

There are three major accounts in our bill, each of them in one way or another are very important to our constituents. This covers the U.S. Customs Service, the Internal Revenue Service and the revenue foregone appropriations, which subsidizes the nonprofit mailers.

Speaking about the Customs Service, one of the most important agencies that we deal with, this is a revenue-producing agency, extremely important in today's fight against illegal drug importations.

The committee has recommended an appropriation of \$793 million for the Customs Service. With this level of funding, the committee proposes to restore some 1,547 positions that OMB, that is the Office of Management and Budget, proposed to eliminate in fiscal year 1987. Therein lies a large part of the problem is this difference of opinion with the committee and the OMB operation as to what we really need to make these particular agencies work.

In addition, the committee has provided funding for an additional 850 Customs personnel. One of the major functions carried out by the Customs Service is the detection, interdiction, and investigation of the smuggling of illegal narcotics and other contraband into the United States. If we truly have declared a war on drugs, then let us fight the battle in a meaningful way and provide our agents with the resources that they need to protect our borders from illegal drug importations.

Likewise, the committee is committed to insuring that our tax system is

operated in an orderly fashion. We want to encourage voluntary compliance with our tax laws and seek out those who avoid paying their fair share.

If you want a real stunning figure, you might take a look at the fact it was estimated that we left some \$80 billion on the table of collectible taxes that were not collected last year because we did not have the resources, the agents or the data-collecting facilities to audit and collect the \$80 billion that we left and we sorely need as far as operating this Government is concerned.

The committee recommends a funding level of \$4.24 billion for the IRS. In the past the IRS funding issue has been misunderstood, I think, by the folks at OMB. For years, the committee has been concerned over the inadequate budget for the IRS. Last year we attempted to rectify the problems of lost tax returns, long refund delays, and inadequate taxpayer services by allocating the IRS enough money to let them do their job properly. However, the OMB strongly recommended a veto of our bill, only to submit a major supplemental for tax administration just a few months later. We want to avoid having the OMB come back to us early next year to request yet another supplemental for the IRS.

The last point I want to make is that dealing with revenue foregone. The committee has recommended \$690 million for payment to the Postal Service fund. The proposed funding level for revenue foregone is \$650 million. This was a zero recommendation from the administration. Therein also lies one of the problems why this particular committee's appropriations are so much higher than that recommended by the recommendation. This level should be sufficient to maintain the \$650 million level. It should be sufficient to maintain current rates for nonprofit mailers until October 1, 1987.

Thus, overall, I am very pleased with our bill. Mr. Chairman, I urge all my colleagues to get in there and debate their points, but I think we have come out with an equitable that will provide adequate appropriations to operate these some 64 agencies that we have dealt with.

Mr. ROYBAL. Mr. Chairman, I yield 3 minutes to the gentleman from Hawaii [Mr. AKAKA].

Mr. AKAKA. Mr. Chairman, I rise in support of the bill making appropriations for the Treasury Department, the U.S. Postal Service, the Executive Office of the President, and certain independent agencies for the 1987 fiscal year.

I want to take this opportunity to commend the distinguished gentleman from California, Chairman Ed ROYBAL, and the ranking minority member, Joe SKEEN of New Mexico, for their indus-

trious efforts in bringing this measure to the floor of the House. Led by the diligent efforts of these two gentlemen, the members of the subcommittee, and the subcommittee staff, Tex Gunnels and Bill Smith, have formulated a fair, solid, and overall respectable piece of work.

I want to express my thanks, first of all, to the Rules Committee for reporting a rule waiving points of order against the appropriation for the Customs Service. I know that the Appropriations Committee is reluctant to request, and the Rules Committee is reluctant to grant, rules which waive points of order against unauthorized appropriations. However, the waiver provided for the Customs sections of our bill is entirely appropriate.

It is through no fault of the Appropriations Committee that the activities of the Customs Service are not authorized. We face the same situation almost every year because the Customs Service has only been authorized once in the past 10 years. This year, an authorization has not even been reported from the Ways and Means Committee.

In light of the grave problems that this country faces with drugs streaming through our borders, it would have been irresponsible for us not to fund the Customs Service simply because there is no authorization. Owing to these compelling circumstances, the Rules Committee granted a waiver, and I thank them for it.

One of the most important items in this bill is the funding we provide for the Customs Service. Every Member of this House is well aware that illicit drugs threaten to destroy the youth of our Nation.

Any Member who is serious about doing something to address our Nation's drug problem should support this bill. Our committee has dramatically "beefed-up" funding for the Customs Service so that it can wage a war on drugs. Without the funding provided by the committee, the Customs Service would be unable to fight the flood of drugs entering this country.

According to the Select Committee on Narcotics, of which I am a member, 85 tons of cocaine, 10 tons of heroin, 15,000 to 16,000 tons of marijuana and 200 tons of hashish entered our borders last year. The illegal drug trade is an insidious plague which infects our society, and only if we are prepared to provide the Customs Service with the manpower and resources they need will we be able to stop drug runners at our borders.

While drugs may be the most important element of the jurisdiction of the Customs Service, we should not lose sight of the fact that the Customs Service enforces over 400 laws and regulations. Some of these laws are very important to domestic industry. Time and time again, Members have written

our subcommittee and testified at our hearings to request that the Customs Service be given adequate resources to fight the problem of illegal imports. I know how critical this is for the domestic textile industry. Industry representatives and veteran customs' personnel agree that \$35 to \$40 billion in goods which should be subject to duty enter this country illegally. This costs the U.S. Treasury nearly \$3 billion in lost duties each year.

Another meritorious feature of the bill concerns the U.S. Postal Service's revenue foregone initiatives. As the largest item in the Postal Service's budget, revenue foregone provisions compensate the Postal Service for the revenue lost as a result of their providing subsidized mail service to small community newspapers, libraries, and nonprofit organizations. There is no doubt that any reduction in funding for nonprofit mail rates from the amount approved by the committee would drastically inhibit the wave of voluntarism and private initiative in the United States.

There are many organizations which merit such reduced postal rates in their efforts to provide service to the public. Organizations such as the American Cancer Society, the American Heart Association, the American Red Cross, and the National Easter Seal Society, just to mention a few, all benefit from the Revenue Foregone Reimbursement Program.

The committee has acted responsibly in restoring the funds necessary to implement the revenue foregone provisions, despite the administration's desire to defund the program. Let me commend the wisdom of the subcommittee in its efforts to continue this valuable program.

Mr. Chairman, I believe this bill represents a balance of necessary spending and fiscal restraint. This is a good bill, and one that every Member of the House should support. Once again, I want to commend the subcommittee for its tireless efforts on this bill. I urge my colleagues to rise in strong support of this substantive work.

Mr. SKEEN. Mr. Speaker, I yield such time as he may consume to the sedate, quiet and distinguished gentleman from Massachusetts [Mr. CONTE].

Mr. CONTE. Mr. Chairman, I rise in support of H.R. 5294, the Treasury-Postal Service appropriations bill for fiscal year 1986.

I want to commend the chairman of the subcommittee, my good friend, Ed ROYBAL, for bringing a well-balanced bill to the floor.

For several years now, Chairman, ROYBAL has done an outstanding job in guiding this bill on the floor, negotiating with the other body and bringing back the House position from conference.

Every member of the subcommittee can attest Ed ROYBAL is a fair chairman who listens and acts on the concerns of the Members of this House.

As a long time member of this subcommittee, it's a pleasure for me to work with Chairman ROYBAL. And he has an able staff headed by Tex Gunnels, a friend of mine for over 20 years.

And as the ranking member of the subcommittee, my good friend JOE SKEEN has done an outstanding job during his first term on the Appropriations Committee.

Both gentlemen have worked hard together with the other members of the subcommittee to produce a well balanced bill that doesn't bust the budget.

Last year, the Treasury bill was the only bill vetoed by the President. I think that the administration made a mistake in rejecting the Treasury bill, and that shortsighted gesture almost caused a funding crisis in the IRS. This Committee averted a serious disruption of our tax system by appropriating \$340 million for the IRS in the Urgent Supplemental—a supplemental request that was recommended just a few months after the President vetoed the bill.

Today, the subcommittee has recommended a responsible bill that attempts to adequately fund important law enforcement agencies and the Postal Service subsidy without busting the 302(b) allocation. In fact, this bill is \$3 million below the allocation in discretionary budget authority. However, because the administration underfunded several agencies in their request to Congress, the bottom line shows a \$938 million increase over the President's recommended level.

As the chairman explained, most of the increase—some 97 percent of the \$938 million increase—is due to additions for three agencies: the IRS, the Postal Service, and Customs. So, if you're looking for a place to cut, you have to take a slice out of nonprofit mailing subsidies, cut revenue producing problems or slash drug interdiction money in the Customs Service. As you can see, there's not much of a choice.

Moreover, almost half of the money appropriated in this bill is for mandatory items. The payments for retired Federal employee health benefits and to the civil service retirement and disability fund, along with the President's salary, amount to \$6 billion out of the \$13.7 billion provided in this bill. These payments are fixed costs mandated by law. The Appropriations Committee has no control over this mandatory spending, and the amount provided in this bill is the same as the administration requested.

Mr. Chairman, I disagree with the administration's position on funding levels recommended in this bill.

Because the administration proposal for a cross subsidy of postal rates has not been passed, the committee recommended \$650 million to maintain reduced nonprofit mail rates.

To continue our war on drugs, the committee added \$112 million to the Customs Service.

To ensure the revenue predictions in the budget resolution, the committee recommended an additional \$150 million for the Internal Revenue Service.

Despite these well justified increases, OMB objects to this bill.

The administration is most concerned about a \$5.4 million cut for the Office of Information and Regulatory Affairs in OMB and language restricting the use of OMB resources. This provision has implications for all of the programs in this bill, and I regret that the committee has taken this action.

OMB will recommend a veto if this language is included. Let me read from a letter that I received from JIM MILLER:

"The denial of funding for the Office of Information and Regulatory Affairs alone would prompt a veto recommendation."

I am including for the RECORD a copy of this letter and the accompanying statement of administration policy.

EXECUTIVE OFFICE OF THE PRESIDENT,
OFFICE OF MANAGEMENT AND BUDGET,

Washington, DC, July 30, 1986.

HON. SILVIO CONTE,
Committee on Appropriations,
U.S. House of Representatives,
Washington, DC.

DEAR SIR: As the House Appropriations Committee prepares to mark up the 1987 Treasury/Postal Service/General Government Appropriations bill, I would like to outline the Administration's position on the bill approved by the Subcommittee.

If the bill is presented to the President in its present form, I will recommend a veto. The denial of funding for the Office of Information and Regulatory Affairs constitutes an unacceptable restriction on the Executive Branch's constitutional prerogatives and responsibility to oversee regulatory affairs and would prevent the application of the Paperwork Reduction Act. This provision alone would warrant a veto recommendation.

The funding levels in the bill are unacceptable as well. Total discretionary budget authority in the bill is \$7.7 billion, \$1.0 billion more than the President's request and \$0.6 billion more than the 1986 enacted level. The increase jeopardizes the likelihood of meeting the target deficit established in the Gramm-Rudman-Hollings legislation.

The Administration opposes three major increases in discretionary spending.

The Postal Service increase of \$650 million in the revenue forgone appropriation over the request continues subsidization of preferred mailers. Moreover, the increase provides reduced postage for questionable uses of the mail (i.e. advertising and commercial solicitation for products and services) are ones taxpayers cannot and should not bear.

The Subcommittee has increased funding for Customs Service salaries and expenses by \$100 million and added 850 positions. This 14 percent increase of budget resources and personnel over the President's request is unwarranted and cannot be supported by any demonstration of need by the Customs Service.

The Internal Revenue Service increase of \$150 million, with an additional 3,000 to 3,500 positions, is unacceptable. The President's request already includes major increases in tax processing, examinations and appeals, and investigations, collection and taxpayer service. Further increases as outlined in the Subcommittee bill will make it very difficult to recruit, train, and assimilate these large numbers of personnel and will also exacerbate overall funding level problems.

The Administration must also take issue with several language provisions. The bill, which mandates Customs Service staffing levels and prohibits consolidation of regions, puts unnecessary restraints on the Service as it strives to improve efficiency through administrative changes. Section 522 continues the prohibition on transferral of the Critical Materials Stockpile from General Services Administration, and Section 619 continues the ban on changing the Combined Federal Campaign rules. These are yet further infringements on Executive Branch prerogatives.

Other provisions in the bill overstep legislative functions (particularly those enunciated by the Supreme Court in *INS. v. Chadha*) by requiring Congressional Committee approval of Executive Branch actions and impeding the ability of the Executive Branch to manage properly and effectively its responsibilities. The most objectionable provisions involve the transfer of funds within appropriations. While we remain open to discussion of specific issues and items of concern to Members and Committees of the Congress, we strongly oppose efforts to infringe upon the constitutional authority and legitimate policy and managerial functions of the Executive Branch.

The enclosure identifies and discusses these and other funding and language provisions that are objectionable to the Administration.

I hope that you will use your influence to report a bill that eliminates unnecessary spending increases and objectionable language provisions and would be acceptable to the Administration.

Sincerely yours,

JAMES C. MILLER III,
Director.

TREASURY-POSTAL APPROPRIATIONS BILL, 1987 Objectionable Provisions

I. FUNDING LEVELS

U.S. Postal Service. The Administration opposes the Postal Service increase of \$650 million in the revenue forgone appropriation which continues the subsidization of the preferred mailers and unfairly burdens the American taxpayers. Moreover, the Committee's increase provides reduced postage rates for questionable uses of the mail (i.e. advertising and commercial solicitation of product services) at the taxpayers' expense.

U.S. Customs Service, Salaries and expenses. The Subcommittee has provided a \$100 million increase above the President's request, including funding for 850 FTE. An increase of this size is unjustifiable, and the Administration strongly opposes it.

Internal Revenue Service. The Subcommittee increased funding by \$150 million and staffing by 3000 to 3500 FTE over the President's budget. In 1986 IRS received large increases for returns processing and computer equipment. The President's request already includes significant additional increases, particularly in examination and appeals and investigation, collection and taxpayer service. The Subcommittee's additions are unnecessary, or at least premature until the latest increases are assimilated and results are evaluated.

Bureau of Alcohol, Tobacco and Firearms. The Administration opposes the increase of \$12 million over the President's request.

U.S. Secret Service. The Administration opposes the increase of \$6 million for continued construction at the Rowley Training Center. The revised Master Plan for the Training Center has never been approved by the Secretary of the Treasury.

Federal Law Enforcement Training Center. The Subcommittee funding recommendation for FLETC is a 41% increase over the President's budget and is clearly unjustified given the projected basic training student attendance for 1987. In addition, the Administration believes it is premature to appropriate additional anti-terrorist training funds without first determining specific course content, the appropriate agency participants and overall program jurisdiction.

National Defense Stockpile Transaction Fund. The Administration does not support the construction of a Strategic Material Research Facility in Amherst, Massachusetts, and therefore opposes the \$5 million Subcommittee funding for this account.

Office of Management and Budget. The decrease in funding of \$5.4 million is highly objectionable to the Administration. The discontinuation of funding for the Office of Information and Regulatory Affairs will jeopardize essential Executive Branch activities.

General Services Administration, Federal Buildings Fund. The Administration opposes the addition of five construction projects and strongly opposes the construction of a Federal building in Wilkes-Barre, Pennsylvania, and the purchase of a site for a Federal building in Chicago, Illinois.

II. LANGUAGE PROVISIONS

Office of Information and Regulatory Affairs. The Subcommittee has restricted any expenditures on OIRA. The denial constitutes an unacceptable restraint on the Executive's constitutional prerogatives and responsibility to oversee regulatory affairs, and will prevent the enforcement of the Paperwork Reduction Act. This item alone will warrant a veto recommendation of the bill.

Internal Revenue Service. The restrictions on setting personnel levels for taxpayer service of the Internal Revenue Service are objectionable. The restriction limits the flexibility of the IRS to efficiently allocate resources and to respond to changing workforce needs.

Critical Materials Stockpile. The Administration opposes the prohibition on the transfer of the stockpile management from the General Services Administration.

Consolidation of Customs offices. The prohibition on consolidation within the Customs Service infringes on management prerogatives. Given this prohibition, Customs will not be able to realize efficiency improvements through re-assigning responsibilities and duties among offices. The Administration strongly opposes this provision.

U.S. Customs Service, Personnel Floor. The Administration opposes the bill language establishing an FTE floor level of 14,891 FTE for the U.S. Customs Service. In addition, the Administration opposes Section 520, which establishes monthly reporting requirements on FTE levels by each Customs Service district. Such an arbitrary requirement diminishes the management role of the Executive Branch in developing a national operating strategy for Customs Service activities.

Combined Federal Campaign. The continued ban on changing the rules of CFC is unnecessary.

Office of Management and Budget. The restrictions regarding the review of marketing orders and Executive Branch testimony, as well as the issuance of certain statistical data and regulations, are objectionable.

Advisory Commission on Intergovernmental Relations. The Subcommittee has cut the President's request for Federal funding for the Advisory Commission on Intergovernmental Relations (ACIR) in half. The ACIR provides independent research on a wide range of issues with intergovernmental impact. The Administration recommends the continuation of the requested level of Federal support for their work.

Title V, Section 507. The Administration opposes the prohibition on contracting for work performed by employees in selected positions in the General Services Administration.

Title V, Section 509. The Administration strongly opposes the prohibition on sale, lease, rental, excessing, surplusage or disposal of any portion of properties located at Fort DeRussy, Honolulu, Hawaii.

General and administrative provisions in violation of Chadha. The Supreme Court ruled in 1983 (in *INS v. Chadha*) that legislative vetoes of Executive Branch actions taken pursuant to law are not permitted under the Constitution. Such vetoes include not only actions by one House, but also actions by Committees. The Subcommittee has included the unconstitutional requirement for approval from the House and Senate Committees on Appropriations in the following cases:

Secret Service activities (listed in Title I, p. 11);

Transfer funds for the Department of the Treasury between appropriations;

Increases in project funding within the Federal Buildings Fund for Repairs and Alterations;

The funding of additional projects for which prospectuses have been fully approved within the Federal Buildings Fund;

Emergency repairs funded by the Federal Buildings Fund;

Transfer of funds within the Federal Buildings Fund; and

Renovation of offices in excess of \$5,000.

Section 611, which states "None of the funds made available pursuant to the provisions of this Act shall be used to implement, administer, or enter in any regulation which has been disapproved pursuant to a resolution of disapproval duly adopted in accordance with the applicable law of the United States" is constitutional under *Chadha* as well.

Prohibition on payment of nominees. The Administration has consistently opposed section 606 prohibiting the payment of funds "to any person for the filling of any position for which he or she has been nominated after the Senate has voted not to approve the nomination of said person." This provision raises substantial constitutional

concerns as an infringement on the President's appointment authority.

Mr. Chairman, I'd hate to see the hard work of this committee rejected because of this provision.

It doesn't belong in this bill, and I'll be working in conference with the other body to restore the funding and to remove this restrictive language.

Mr. Chairman, this is a good bill, and I urge my colleagues to support H.R. 5294.

□ 1230

Mr. ROYBAL. Mr. Chairman, I yield such time as he may require to the gentleman from Mississippi [Mr. WHITTEN].

Mr. WHITTEN. Mr. Chairman, at this time I would like to pay tribute to the chairman of this subcommittee, Mr. ROYBAL, to the ranking member, Mr. SKEEN, and to each subcommittee member, Mr. AKAKA, Mr. HOYER, Mr. COLEMAN, Mr. BOLAND, Mr. YATES, Mr. CONTE, Mr. LOWERY, and Mr. WOLF.

In fact, I want to pay tribute to each member of the Appropriations Committee and particular each subcommittee chairman and ranking minority member—SILVIO CONTE, the ranking minority member of the committee; NEAL SMITH and the late George O'Brien of the Commerce-Justice Subcommittee; BILL CHAPPELL and JOE McDADE of the Defense Subcommittee, formerly chaired by our good friend Joe Addabbo; JULIAN DIXON and LARRY COUGHLIN of the District of Columbia Subcommittee; TOM BEVILL and JOHN MYERS of the Energy and Water Development Subcommittee; DAVE OBEY and JACK KEMP of the Foreign Operations Subcommittee; EDDIE BOLAND and BILL GREEN of the HUD-Independent Agencies Subcommittee; SID YATES and RALPH REGULA of the Interior Subcommittee; BILL NATCHER and SIL CONTE of the Labor-HHS-Education Subcommittee; BILL HEFNER and MICKEY EDWARDS of the Military Construction Subcommittee; BILL LEHMAN and LARRY COUGHLIN of the Transportation Subcommittee; and, of course, VIRGINIA SMITH, the ranking minority member of the Agriculture and Rural Development Subcommittee which I chair.

I suspect that I have served on the Appropriations Committee longer than anybody in history and have been chairman since 1979. Certainly I have enjoyed every bit of it. But what I want to point out is that in a recent magazine article it was said that the Appropriations Committee is the only committee whose bills have to pass.

That being true, we certainly have a great responsibility. I would not say that our Committee on Appropriations is completely nonpartisan, but I will say that it is bipartisan.

May I say again and point out for the record that the purpose of appro-

priations and the purpose of government is to serve the people. The complaint that is made about this bill, as about many others, is about the things in there that render service to the people.

Unfortunately we have people here who look only at dollars and cents and cost and this and the other. That has to be done, but the sole purpose of government is to help the people and not to cause trouble.

The cuts that we have made in the last few years have not gone to the deficit or to the debt. It has gone to increase the carryover and certain other activities of the Government.

I pointed this out several times. In the early days of our Republic, or before our Republic, you might say, in 1781 to 1788 we had each State looking after its own well-being within its territorial boundaries. It did not work.

The word "United" got into the name of our country because the colonies and later the States joined together. Keep this in mind; we started throwing the weight of the Federal Government behind the development and behind the problems of all the country in 1934. Since 1934, due to the fact that the Federal Government threw its weight into development, the wealth of this country has increased 41 times. Since 1940 it has increased 36 times. It is estimated that our total national value is \$16.2 trillion.

I grant you that our finances are in bad, bad shape, but that is not the fault of the committee. Again, I want to compliment not only my subcommittee chairman and the Republican leader here but all members of the committee. I can't say how proud I am of the Appropriations Committee. We get lots of requests; we do the best we can. I think that we all can be proud of our actions.

You may say well, they passed the Budget Act; now live with it. We passed the Budget Act here because 46 percent of our spending was bypassing the annual review process and the Appropriations Committee, where we had held the line. After 10 years now 52 percent is going around the annual review process and appropriations.

The other thing that I would point out is that when they agreed to let the Senate be controlled by outlays, why that is under the control of the executive branch. I do not know what we can do, but our committee is trying to work it out.

I take this time to commend the folks who I work with and commend them for the job that they have done in looking after the country and remembering that we represent the people, and let us take care of the people's interest.

Mr. SKEEN. Mr. Chairman, how much time remains on this side?

The CHAIRMAN. The gentleman from New Mexico [Mr. SKEEN] has 18 minutes remaining.

Mr. SKEEN. Mr. Chairman, I yield 6 minutes to the gentleman from New York [Mr. GILMAN].

Mr. GILMAN. Mr. Chairman, I am pleased to rise in support of H.R. 5294, our Treasury-Postal appropriations bill for fiscal year 1987, and I commend the distinguished chairman of the committee, the gentleman from California [Mr. ROYBAL], and our ranking minority member, the gentleman from New Mexico [Mr. SKEEN], for their hard work in bringing this measure to the floor at this time. Included in this legislation is the vital revenue foregone appropriations of \$650 million.

Presently, without revenue foregone, many nonprofit organizations could not continue to make their vital contribution to our Nation's educational, social, and cultural strength. Such valuable organizations as public libraries and countless other important nonprofit entities would find it considerably difficult to continue their programs without financial help with their mailings.

Accordingly, I urge my colleagues to support this portion of the bill.

Mr. Chairman, I am in further support of that provision of the Treasury, Postal Service, and general government appropriations which refer, specifically to fiscal 1987 funding levels for the U.S. Customs Service. The flood of illicit drugs coming to our shores is expected to be greater this year than ever before. Our House Select Committee on Narcotics Abuse and Control, on which I serve as ranking minority member, under the leadership of our distinguished chairman, the gentleman from New York, Mr. RANGEL, has estimated that 12 tons of heroin, as much as 60,000 tons of marijuana, 200 tons of hashish, and an alarming 150 tons of cocaine will be smuggled into the United States during the current year. Only 85 tons of cocaine was estimated to be imported in 1984. Increased availability has resulted in increasing demand for, and addition to drugs. More than 25 million people have tried cocaine, and as many as 1.2 million people have become addicted and are in need of treatment.

The Customs Service is a key component of our Nation's effort to control the importation of drugs and other contraband at land, sea, and air ports of entry into the United States. We must do everything we can to assure that the Customs Service has the manpower and resources to continue to do the most effective job possible in our war against drugs. The bill before us today seeks to accomplish this goal by restoring the 1,547 positions that were proposed for elimination in 1987; provided for an additional 850 positions,

and directed the Customs Service to maintain an average of 14,891 personnel during fiscal year 1987. As a result, funding is proposed to be increased to \$793 million which is \$100 million above the budget request and \$76 million above the fiscal 1986 funding level.

Mr. Chairman, early this year the Select Committee on Narcotics Abuse and Control traveled to our Southwest border to review the drug trafficking situation in that region, and to meet with Mexican President de la Madrid and Attorney General Ramirez to discuss ways that the ever increasing drug trafficking activity across our border with Mexico could be stopped. Our study mission revealed the distressing fact that in terms of drug smuggling, our border with Mexico is out of control—it is a virtual sieve. It is estimated that Mexico currently supplies 42 percent of the heroin, 30 to 35 percent of the marijuana, and one-third of the cocaine consumed in the United States.

In an effort to respond to this situation, the administration is currently planning a Southwest border drug interdiction initiative. That initiative is a direct result of planned actions resulting from the President's April 8, 1986, National Security decision directive in which drug trafficking is recognized as a national security threat. While details of the operation have not been fully disclosed at this time, it is understood that the Customs Service will be sending as much as 200 additional personnel to the Southwest border to increase our drug interdiction capability. I applaud that effort and look forward to the detailed information the committee has requested on Customs' plans and operations in this important venture.

In closing, Mr. Chairman, I would add that we are all coming to recognize that as important as they are, enforcement and interdiction activities alone will never lead to a victory in our war against drugs. Education initiatives to reduce demand at home, and increased emphasis on reducing drug production in source countries must also be addressed. The majority and minority leadership are currently working on a legislative package designed to provide such a coordinated approach to the drug problem. Clearly, the Customs Service will play a key role in any antidrug legislation that is fashioned. In our continuing efforts to combat narcotics trafficking, I urge my colleagues to support the bill before us today.

Mr. ROYBAL. Mr. Chairman, I yield 4 minutes to the gentleman from Texas [Mr. COLEMAN].

□ 1240

Mr. COLEMAN of Texas. Mr. Chairman, I rise in strong support of H.R.

5294, the Treasury, Postal Service, and general Government appropriations bill for fiscal year 1987.

Under the able leadership of the chairman, Mr. ROYBAL, and the ranking minority member, Mr. SKEEN, the committee has produced a bill which meets to goals of the Nation in the area of drug enforcement, revenue collection, and the management of Government while staying under the 302(b) allocation provided by the conference report on the budget resolution for fiscal year 1987.

The chairman has already addressed the fine points of the legislation before the House and therefore I would like to address some important areas contained in this bill in greater detail.

The committee has made substantial changes to the administration's budget request for the U.S. Customs Service. The administration had requested that the Congress affirm the Gramm-Rudman cut of 777 full time personnel in the Customs Service below the fiscal year 1986 level and cut an additional 770 full time positions for a total cut of 1,547 full time positions below the fiscal year 1986 level. This request follows a pattern of proposed cuts which the Congress has rejected during the last 3 years. The committee again rejected the cuts and, instead, restored the 1,547 positions and added 850 full time positions for a total of 2,397 full time positions above the administration's request. This level is in accord with the conference report on the budget resolution for fiscal year 1987.

The committee and the Congress are increasingly alarmed by the rising quantity of illegal narcotics being smuggled into the Nation and the toll they have taken on human life. Earlier this week, the House leadership of both parties announced the formation of an omnibus drug interdiction package. Following that, the President announced a new initiative on the part of the administration. The rising death toll of drugs has shortened the fuse of the American public—they are demanding action.

This bill provides for such action through the increase in Customs Service personnel. This is not the first time the committee has produced such a bill, in the past, we have lost some ground due to the intransigence of the administration toward the Customs Service. However, continued bipartisan support to enhance the agency's ability to detect and interdict illegal narcotics has prevailed. Unfortunately, even when the committee and the Congress have provided the funds necessary, we have found that the Customs Service and the administration have found ways to not hire the number of personnel requested in the bill.

Last year, the conference committee included language in the conference report on the Treasury, Postal Service, and general Government appropriations for fiscal year 1986 prohibiting the Customs Service from reducing personnel levels below the level of 14,041 full time equivalent positions. In November, the Comptroller of the Customs Service issued a memorandum to the Commissioner outlining the conference report language on personnel levels and ways in which the Commissioner could evade the law and intent of Congress. I found this abrogation of congressional intent on the part of the Commissioner to be an outrage and therefore I offered language contained in this bill which directs the Customs Service to "hire and maintain an average of 14,891 full-time-equivalent positions" in fiscal year 1987. While I will agree with Members that this language may appear to "micro-manage" the agency, in the case of the Customs Service, I believe we have no other choice but to ensure that the adequate number of personnel are hired to do the job.

The committee provided \$67.5 million for the operation and maintenance account of the Air Interdiction Program—the airborne arm of Customs. This will allow the Customs Service to meet the needs of its Air Interdiction Program and avoid unnecessary down-time for lack of adequate maintenance resources. Furthermore, this would allow for the purchase and stationing of the Southwest aerostat for radar surveillance. While some Members may believe this amount is inadequate, they should be advised that this amount is \$12.5 million above the administration's request.

The committee also approved language which prohibits the Customs Service from implementing single shifts at airports and charging user fees for overtime costs beyond those single shifts. Earlier this year, the Customs Service sought to impose these single shifts without proper prior notification of the committee. The committee and the Congress placed a prohibition on this action in the supplemental appropriations for fiscal year 1986 and has continued prohibition until the Custom Service presents a detailed proposal to the committee.

The committee also adopted language in the bill to direct the Customs Service to report to the Committee on Appropriations and the Committee on Ways and Means on the personnel vacancy level per month. In the past, the committee has noted that a large number of positions authorized and appropriated have remained vacant. In fact, study of the issue shows that for fiscal years 1981 through 1985, an average of 353 positions authorized and appropriated by the Congress were never filled. The committee is in-

formed of such vacancies only on an annual basis. Efforts to retrieve this information on a more frequent basis from the Customs Service has been unsuccessful after requests over the last 3 years. It is the opinion of the committee that such information is necessary if the Congress is to ensure adequate enforcement of our trade and drug smuggling laws.

Another area of interest addressed by this legislation involves the ongoing efforts of both public and private parties to bring about the timely funding of international border crossings with our neighbors to the South, Mexico. With regard to the often discussed crossing at Ysleta, TX, I am particularly encouraged by recent reports that both the United States and Mexico are about to move forward on this project. For this reason, I have included language in the committee report accompanying the bill which allows for the expeditious expenditure of funds to meet our necessary bilateral obligations.

Mr. Chairman, this is a good bill. It is within budget. It provides the necessary resources for the collection of revenue, interdiction of drugs, and enforcement of trade laws. Three issues are paramount in this Nation—the budget deficit, the drug crisis, and the trade deficit. This bill addresses all three of those very real concerns. A vote for this bill is a vote to raise the revenue for the Government to function, to continue the war on drugs, and to ensure enforcement of our trade laws.

Ms. OAKAR. Mr. Chairman, will the gentleman yield?

Mr. COLEMAN of Texas. I yield to the gentlewoman from Ohio.

Ms. OAKAR. Mr. Chairman, I want to compliment the gentleman on his statement and certainly commend the chairman of this committee. With respect to Custom workers, I notice the gentleman spent some time in his statement on that. The fact is that we transferred 88,000 Government workers to Pentagon activities, and as a result, there really is a tremendous shortage of Custom workers.

If we are really serious about not allowing illegal drugs into this country, we had better do something fast.

Mr. COLEMAN of Texas. Mr. Chairman, they are the front line, I would tell the gentlewoman, and she is absolutely right. I appreciate her remarks.

Mr. SKEEN. Mr. Chairman, I yield 2½ minutes to the gentleman from North Carolina [Mr. COBEY].

Mr. COBEY. Mr. Chairman, today, I hope to offer an important amendment that addresses a practice which is most unjust, and indeed, which is illegal. Unfortunately, however, it's a practice which has gone on unchecked for years. I'm asking my colleagues to help me defeat the motion to rise on

this bill, so that I might have an opportunity to offer my amendment.

Mr. Chairman, I'm talking about the practice of using compulsory union dues for political purposes. The Supreme Court says that this practice is illegal; that it violates the constitutional rights of workers. In fact, the Supreme Court has ruled four times on this issue—the most recent ruling was this past spring. And yet, despite the Supreme Court decisions affirming the illegality of this practice, it's still a common occurrence throughout our country.

Unfortunately, our Federal election laws don't address this problem and because of this, it's extremely difficult for wronged employees to gain redress. Instead, they've been faced with costly and lengthy legal procedures to recover misspent dues. It's up to the Congress to make sure that the agencies we fund uphold the law. That's why I want to offer my amendment to insure the FEC complies with the Supreme Court decisions in all of its rules, regulations, and advisory opinions.

It's unfortunate that there's been no opportunity to address this problem in an authorization procedure. It's also unfortunate that there's been no action resulting from oversight hearings. It appears that the only way to insure that workers are shielded from this particular injustice is my amendment to make the FEC comply with the Supreme Court rulings barring the use of compulsory union dues for political purposes. I urge you to join me in my effort to defeat the motion to rise, and to support my amendment against the use of compulsory union dues for politics.

Mr. ROYBAL. Mr. Chairman, I yield 4 minutes to the gentleman from New York [Mr. SCHEUER].

Mr. SCHEUER. Mr. Chairman, I thank the gentleman very much for yielding me this time. I want to take my hat off and congratulate the chairman and his colleagues on both sides of the aisle on this subcommittee for the outstanding job that they have done in turning the administration's rhetoric that we hear about drugs into hard, tangible action.

Our country has failed spanning several administrations in meeting the problem of drugs, which is now a cancer in our society. The drug infestation of our society is threatening the quality of life in our cities, and it is responsible for perhaps two-thirds of violent crime. It is the leading cause of education failure in a country that now has 20 percent of its work force, 20 percent of its work force functionally illiterate, and that figure is growing as more kids are dropping out of school and as more kids seem to finish 12 years of public education and are unable to read, write, and count.

The impact of that in future years is horrifying when one thinks that by

the turn of the century three-quarters of all of the new jobs that will be created between now and then will require some degree of post-secondary education, education after high school, computer education, all kinds of education where literacy, the ability to read, write, and count will be indispensable minimal preconditions to success in life. The drug scourge today is the leading threat to bringing our full population, including our minorities, including blacks and Hispanics, into full equal participation in the labor force.

Perhaps this might sound like going far astray of our subject, but it is directly connected with the magnificent action that the gentleman is proposing in this committee of adding 2,400 jobs and \$100 million to fund the Customs Service. I would like to ask the chairman of the subcommittee: Do you feel that the 2,400 jobs and the \$100 million of additional funding as an act, as specific, tangible, positive act of this Congress as compared to the rhetoric that we have been hearing from the administration, devoid of any tangible substance, in fact rhetoric which has been accompanied by cutting law enforcement right down the line across all of the law enforcement agencies, is this going to help substantially to staunch the flow of narcotic drugs into our country and into the arms, and down the throats of our kids in every town, hamlet, and city in the United States?

□ 1250

Mr. ROYBAL. Mr. Chairman, if the gentleman will yield, and in response to his question, the answer is, of course, "Yes;" that is one of the main reasons that this money is being put back into the bill. We are increasing the number of personnel because if we do not, more and more narcotics will be coming into the United States.

This means, then, that the moral fiber of this country will continue to deteriorate. Something has to be done besides talk. We have to do more than just talk about this situation. This is putting money on the front line where these narcotics agents and inspectors actually look into cargo as well as the luggage of people coming into the country.

They also have within the organization sophisticated aircraft that can follow people who leave the United States, go to a foreign country, bring the narcotics back to this Nation. The aircraft that we have today are not sufficient in numbers or sophistication to do that, this provides money for that purpose.

We are doing what I think is long overdue: Providing money and personnel for the interdiction of narcotics where it really counts, on the front lines.

Mr. SCHEUER. Mr. Chairman, I again congratulate the gentleman and his colleagues.

Mr. HUNTER. Mr. Chairman, will the gentleman yield?

Mr. SCHEUER. I yield to the gentleman from California.

Mr. HUNTER. Mr. Chairman, I want to join in his statement. I want to commend the chairman, the gentleman from California [Mr. ROYBAL] and the ranking member, the gentleman from New Mexico [Mr. SKEEN] and the committee for putting this together.

The CHAIRMAN. The time of the gentleman has expired.

Mr. ROYBAL. Mr. Chairman, I yield 30 seconds to the gentleman from California [Mr. HUNTER].

Mr. HUNTER. Mr. Chairman, I want to say that this is the frontline, and if our Customs agents can stop a kilo or a greater amount of cocaine, heroin, or whatever coming in, and I think the gentleman from Texas touched on this, that saves the country a great deal of money in subsequent prosecutions and penalizations and other things, and education and lost jobs as this contraband is distributed throughout the United States.

These people are our frontline fighters, and I commend the committee in raising the number of Customs agents.

Mr. SKEEN. Mr. Chairman, I yield 3 minutes to the gentleman from Pennsylvania [Mr. WALKER].

Mr. WALKER. Mr. Chairman, I, too, want to congratulate the committee for doing what they have done on the Customs Service for the Drug Interdiction Program. I think that they have provided some additional money; that is going to give the Customs Service additional resources with which to pursue the drug fight, and I think the committee deserves our commendation for having moved as far as they did.

I will be offering an amendment to try to provide a modest amount of additional resources. I have been through the bill; it is rather difficult in the bill with all the mandates in it and so on to find places where you can eke out a little bit of money to get some additional drug money in the bill; but I did find in the Office of the Secretary that the committee had designated it for an increase of \$4.6 million.

My guess is, as a priority for the country, that we could reduce that \$4.6 million by about \$3 million and get ourselves some additional drug agents, some Customs agents, about 60 more, and take it out of the hide of bureaucracy; and as a matter of national priorities we would be better off.

So I will be offering some amendments in order to do that; take \$3 million out of the Office of the Secretary and put it over into the Customs Serv-

ice for the purpose of providing even more Customs personnel.

That would give us 60 additional Customs personnel. As I say, that is very, very modest, but it is in fact something which is going to be needed.

This is the list of things that are going to be needed in the Customs Service alone in the drug interdiction program that the bipartisan task forces are coming up with.

The gentleman from Oklahoma [Mr. ENGLISH], when he introduced his bill the other day, H.R. 5267, which is a part of that bipartisan package—this is what it contemplates in terms of just the Customs Service.

It is a \$384 million additional commitment that this Nation is going to have to make. My modest, \$3 million amendment, is in fact 1 percent of what we will need if we are to bring about this program.

It seems to me that the House may want to adopt this amendment to cut bureaucracy in order to fight drugs, and when we get to the appropriate part in the bill, I would urge that amendment's adoption.

Mr. ROYBAL. Mr. Chairman, I yield 3 minutes to the gentleman from Oklahoma [Mr. JONES].

Mr. JONES of Oklahoma. Mr. Chairman, first let me add my commendation to the subcommittee for what it is doing to beef up the law enforcement and particularly the fight against narcotics and drug trafficking. I think that is a major part of this bill, that is very important.

I would like to call my colleagues' attention to a relatively obscure part of the bill, which declares that no funds can be used to consolidate or close small post offices; and I want to particularly thank the chairman of the subcommittee for responding so positively to a letter and request that I made a couple of weeks ago to take this action.

As my colleagues may or may not know, some proposed postal regulations were published that would have had the effect of making it far easier to close small rural post offices, and even more objectionable, to do this without sufficient public input, public participation in that decision.

This is particularly affective of States such as Oklahoma, who have a number of small communities who revolve around the post office itself.

So I want to thank the chairman. I do know that when we took this up with the Postmaster General, that they did postpone for another 30 days the period of time in which to have public comment on these proposed regulations; and I would certainly urge my colleagues, particularly those who represent predominantly rural States, to urge your constituents to make your comments known during this period.

I think it is fair to say, as I read this language, that regardless of what happens after this public comment period, that States such as Oklahoma, who have rural post offices, will not be faced with the threat of having them closed down. Is that something we can tell our constituents, Mr. Chairman?

Mr. ROYBAL. Mr. Chairman, if the gentleman will yield, that is, of course, correct, and that is in the bill.

For example, we have the language in the bill that none of the funds provided in this act shall be used to consolidate or close small rural and other small post offices in the fiscal year ending September 30, 1987.

Mr. JONES of Oklahoma. I thank the chairman.

Mr. SKEEN. Mr. Chairman, I yield 3 minutes to the gentleman from Florida [Mr. SHAW].

Mr. SHAW. Mr. Chairman, I would like to express my sincere appreciation to the distinguished chairman of the subcommittee, Congressman ROYBAL, as well as the ranking minority member, Congressman SKEEN, for their support for the inclusion of \$2,461,000 in this bill for the design of new Federal building in Miami, FL.

This building is desperately needed by law enforcement agencies currently scattered in a number of leased locations throughout the Miami area.

Because of this fragmentation and the absence of federally owned facilities, these agencies have had to cope with a number of serious security, management and other problems which could be minimized, if not eliminated, by the colocation of these agencies in a single, Government-owned facility.

Leasing costs are high in Miami and agencies are paying hundreds of thousands of dollars annually for duplicative security and related services.

The Committee on Public Works and Transportation authorized the appropriation of funds for this project on June 24 of this year.

The amount included in this bill today will enable GSA to begin the design work for the project.

On that point, I would like to ask the distinguished chairman of the subcommittee, "Would it be his understanding that if these design funds are made available to GSA in fiscal year 1987 that GSA should go forward with the design of the project?"

□ 1300

Mr. ROYBAL. The gentleman is correct. In fact, the moneys are in the bill at the present time; \$2,461,000 is in the bill for that specific purpose.

Mr. SHAW. I would also like to inquire of the gentleman if it is reasonable to expect that, should the design funds be made available this year, that we could anticipate that funds for the construction of the project could be made available in future fiscal years.

Mr. ROYBAL. Yes, if they fit within the future fiscal years plans. I cannot guarantee it will be next year but soon thereafter.

Mr. SHAW. Mr. Chairman, I again would like to thank the chairman and the ranking member for their leadership and support of this very important project for the citizens of south Florida.

Mr. FASCELL. Mr. Chairman, will the gentleman yield?

Mr. SHAW. I yield to the gentleman from Florida [Mr. FASCELL].

Mr. FASCELL. I thank the gentleman for yielding.

Mr. Chairman, I want to commend the gentleman from Florida for his work in the Public Works Committee and for this colloquy and thank the chairman for his responses. This is a very important project. It will save money for the Government, and I hope that we can proceed with its design and construction.

Mr. SHAW. As my friend from Miami, FL, also recognizes as well as I do, we have a very dangerous situation down here. This is not going to be a cureall, but it is certainly going to be a very important step forward toward safety and efficiency in law enforcement in the Miami area, in the south Florida area.

I thank the gentleman, and I yield back the balance of my time.

Mr. ROYBAL. Mr. Chairman, may I inquire how much time remains on this side?

The CHAIRMAN. The gentleman from California [Mr. ROYBAL] has 30 seconds remaining, and the gentleman from New Mexico [Mr. SKEEN] has 3 minutes and 30 seconds remaining.

Mr. ROYBAL. Mr. Chairman, I yield the 30 seconds remaining to the gentleman from Oklahoma [Mr. McCURDY].

Mr. SKEEN. Mr. Chairman, I yield 30 seconds to the gentleman from Oklahoma [Mr. McCURDY].

Mr. McCURDY. I appreciate the gentleman from California and the gentleman from New Mexico yielding this time.

Mr. Chairman, I rise to commend and thank the gentleman from California, the distinguished chairman of the subcommittee, for his leadership in this area, particularly with respect to the U.S. Postal Service.

All of us rely on the Postal Service, and it is critically important that it operate as effectively and efficiently as possible.

The Postmaster General recently announced plans to construct a 240,000-square-foot classroom/laboratory/technical training center in Norman, OK. This facility strengthens the Postal Service's 17-year relationship with the community of Norman, and it will benefit every American. The chairman of the subcommittee

has been extremely helpful in ensuring that the Postal Service meet its commitments in an expeditious manner, and I want to thank him personally for his continuing leadership role.

Mr. Chairman, I yield back the balance of my time.

Mr. SKEEN. Mr. Chairman, I yield 1 minute to the gentleman from Minnesota [Mr. FRENZEL].

Mr. FRENZEL. Mr. Chairman, this is a good bill, like all Appropriations Committee bills, but it is about \$750 million more than we spent last year. That is nearly 5.5 percent. The item for Customs alone, which a number of Members commented on, is over the after-sequester number, up 15 percent. I think it is the kind of profligacy that we have been seeing around here for the past 2 weeks. I intend to raise an amendment to try to reduce a tiny bit of the overspending in the bill. I hope they will be accepted, and I hope someday that this House will bring forth bills that aim at the target that we established for Gramm-Rudman rather than at how much we can spend to take care of all our wonderful programs.

Mr. SKEEN. Mr. Chairman, I yield 1 minute to the gentleman from Texas [Mr. PICKLE].

Mr. PICKLE. Mr. Chairman, I rise in support of the increase in IRS's budget as contained in the Treasury fiscal year 1987 appropriations bill. The increase over the administration's proposed IRS budget, which has been reported out of committee, is desperately needed, and is an essential step toward improving IRS operations.

The winners, today, are all taxpayers and the U.S. Treasury. Taxpayers win because they now have a better chance of receiving a timely, accurate solution to their tax problems. They can expect their refunds more promptly and better taxpayer service. The Federal Government wins because more money will be flowing into the Federal coffers. This does not mean IRS harassment, but rather collection of part of the IRS's accounts receivable which is currently \$45 billion. Further this means more effective criminal investigative efforts, including those directed at offshore, money laundering operations.

Mr. Chairman, as chairman of the Subcommittee on Oversight, I have spent the last several years examining IRS's resource needs. I have visited IRS district offices and service centers, and met with taxpayers and tax practitioners all over the country. It has been the unanimous view that IRS needs to be more efficient, effective, and equitable in its administration of the tax laws. In order to accomplish this, adequate resources must be given to the IRS. The Appropriations Committee bill is leading the Congress in the right direction. I congratulate

them on their efforts and give their leadership my support. To do otherwise will create serious problems for taxpayers in the future.

I am inserting in the RECORD a letter the Ways and Means Committee chairman and I sent to Appropriations Subcommittee Chairman ROYBAL which sets out the optimal fiscal year 1987 funding level for the IRS. As you will see, we have a long way to go to reach the point where IRS is funded as it should be. Let us today take a step in the right direction and adopt the Appropriations Committee's funding level for the IRS.

COMMITTEE ON WAYS AND MEANS,
HOUSE OF REPRESENTATIVES,
Washington, DC., June 11, 1986.

Hon. EDWARD R. ROYBAL,
Chairman, Subcommittee on Treasury,
Postal Service and General Government,
Committee on Appropriations, House of
Representatives, H-164 The Capitol,
Washington, DC.

DEAR MR. CHAIRMAN: On May 12, 1986, the Committee on Ways and Means' Subcommittee on Oversight held a hearing to review the Administration's fiscal year 1987 budget proposals relating to the Internal Revenue Service. This hearing marks the third time the Subcommittee on Oversight has examined the adequacy of staffing and funding levels of the IRS under the current Administration. It marks, as well, the third time that we are forwarding to you our recommendation that the Internal Revenue Service's resource level be increased above that provided in the administration's budget request.

The filing season problems of 1985 and the current funding crisis, which has necessitated the urgent supplemental appropriations request for fiscal year 1986, set forth the stark reality of an inadequately funded IRS. Rather than pointing fingers at who's to blame, the time has come for the Congress to take a leadership role in rebuilding IRS into a first-class agency that effectively and fairly administers our Federal tax system and collects revenues. It is our hope that the administration will join the Congress in making such a commitment to ensure an optimally funded and functioning Internal Revenue Service.

As you are well aware, the fiscal year 1987 budget request for IRS provides for 95,084 positions and \$4,097.8 million to administer this Nation's tax laws. This proposed budget level is 3,008 positions and \$194.5 million less than IRS initially proposed to the U.S. Department of the Treasury, and 285 positions and \$22.4 million less than the Treasury Department proposed to the Office of Management and Budget. The fiscal year 1987 budget request represents an increase of 1,360 positions and \$271.6 million above fiscal year 1986 levels.

The increases contained in the fiscal year 1987 budget request are insufficient to enable the IRS to keep pace with its obligations in fiscal year 1987. Years of neglect have left IRS unable to efficiently assess and collect taxes legally due and owing the Federal Government, or provide taxpayers with prompt and meaningful service, or, in the final analysis, to maintain and promote voluntary compliance. The following facts contained in the fiscal year 1987 budget request present particular concern:

The fiscal year 1987 budget request is built upon the passage of the fiscal year

1986 urgent supplemental, which is uncertain at this time. If the supplemental is either delayed or vetoed, the fiscal year 1987 budget would fall apart.

Although the fiscal year 1987 budget request provides for an increase of 1,360 positions for a total of 95,084 positions, there are 1,708 authorized fiscal year 1986 permanent positions that remain unfilled, and 1,775 estimated unfilled permanent positions for fiscal year 1987.

Despite the dismal 1985 tax filing season and the fiscal year 1986 supplemental request of 5,558 positions and \$140.23 million to restore the effectiveness of tax processing, the fiscal year 1987 budget request for Returns Processing and Revenue Accounting calls for a decrease of 1,590 positions and an increase of \$9.40 million. Moreover, in fiscal year 1987 the IRS will process 3.5 million more tax returns and supplemental documents than it did in fiscal year 1986. Finally, service center inventories remain alarmingly and unacceptably high. By late April 1986, correspondence and adjustments inventories had reached 1.1 million, unprocessable inventories had reached 1.6 million, and by March 31, 1986, accounts receivable inventories had reached \$45 billion.

Despite the possible reduction in (or cancellation of) ADP acquisitions that may result if the fiscal year 1986 supplemental is not timely approved, and the reduction of selected ADP and systems modernization expenditures as a result of Gramm-Rudman-Hollings, the fiscal year 1987 budget request for Computer Services calls for a decrease of 27 positions and an increase of \$39.73 million. This is 143 positions less than the fiscal year 1985 level. Moreover, the wisdom of this resource allocation is highly questionable in light of major computer problems recently experienced.

The 1987 budget request emphasizes a major revenue initiative for the examination of tax returns. However, even under this initiative, only 120,000 additional tax returns will be examined, which will ultimately result in assessments of \$829 million, of which only \$600 million is estimated to be collected. Hence, this initiative only brings in an additional \$5,000 per tax return examined. Worse, the audit level for fiscal year 1987 is projected to be only 1.4 percent, which is less than that for fiscal year 1983 (1.59 percent) and all prior years.

Despite increases in resources, and even with the tax shelter initiative in the budget request, case levels in Appeals and Tax Litigation continue to rise dramatically.

The modest increase in resources for Collection constitutes a decrease of 2,064 positions from actual fiscal year 1985 levels. Yet inventories of uncollected tax, i.e., taxes owing and due, remain outrageously high (over \$45 billion as of March 31, 1986), while collected accounts receivable are \$760 million less than actual fiscal year 1985 levels.

While the budget request states that the resources requested for Taxpayer Service in fiscal year 1987 would provide the same basic level budgeted in fiscal year 1986, fewer taxpayers (about 4.5 million) will receive direct assistance than in fiscal year 1985.

The request points out the need for greater emphasis on the General Enforcement Program (GEP) "due to the growing amount of activity involving fraudulent tax shelters, questionable refund schemes, offshore banking, tax havens and the need to maintain a strong presence in the illegal tax protester area". However, only a small in-

crease in the number of GEP special agents and tax fraud investigations is called for.

Thus, while deficiencies are most egregious in Returns Processing and Collection, no major IRS function escapes the impact of inadequate resource levels. Moreover, IRS programs, when viewed on a multiyear basis (see enclosure A), appear to suffer from a roller coaster-type allocation of resources. What is increased one year is reduced the next year, on and on, with little, if any, net gain. It seems apparent that greater stability, permanence and recognition of ever-increasing workloads are called for in the IRS budget process, at the very least.

Virtually every witness at the Oversight Subcommittee's hearing recommended that the IRS budget not be viewed solely on an annual basis, but should take into account projections over several years. Witnesses urged that an overall production goal be established followed by a determination of what resource level is needed to achieve that goal.

To this end, the Subcommittee asked the Internal Revenue Service to supply information on the maximum capacity of the IRS, in terms of both staffing and funding, to assimilate and absorb additional resources above the levels proposed in the fiscal year 1987 budget request, which could be used effectively and productively to improve tax administration and raise additional revenues. We forward to you the Internal Revenue Service's response, which we believe not only demonstrates conclusively the budgetary deficiencies of the Service, but also presents a realistic productivity goal (see enclosure B). In summary, IRS states that it could assimilate (i.e., hire, train and deploy) 12,490 additional positions over the fiscal year 1987 budget request of 95,000 positions, for \$558 million in additional funding. More than half of these positions would be devoted to improving the processing of tax returns and resolving taxpayer account and tax law inquiries more expeditiously. The remaining positions would be added to direct enforcement effects, predominantly

in Collection, for a yield of \$1,764 billion in additional revenue. In addition to personnel, IRS estimates that it would assimilate \$75 million in automated data processing and systems modernization costs.

We believe that the Congress, with the cooperation of the administration, should begin now to take steps within the framework of IRS's response to ensure that IRS achieves this goal of maximum productivity. This Nation's taxpayers deserve no less. Particular attention should be given in this process, especially for fiscal year 1987, to Returns Processing, Taxpayer Service and Collection.

Sincerely,

DAN ROSTENKOWSKI,
Chairman, Committee on Ways and Means.

J.J. PICKLE,
Chairman, Subcommittee on Oversight,

INTERNAL REVENUE SERVICE AVERAGE POSITIONS

Program	1976	1977	1978	1979	1980	1981	1982	1983	1984	1985	1986	1987	Change 1987 to 1976	Percent 1987 to 1976
Examination	27,977	27,020	26,993	27,173	28,226	26,913	26,714	26,737	27,273	28,353	28,729	31,156	3,179	11.36
Appeals	1,834	1,801	2,239	2,116	1,923	1,894	1,955	2,135	2,512	2,580	2,508	2,846	1,012	55.18
Counsel	1,566	1,552	1,649	1,717	1,692	1,713	1,828	1,873	1,942	1,969	1,992	2,158	592	37.80
Tax fraud	4,182	3,987	4,344	4,395	4,447	4,347	4,264	4,074	4,474	4,586	4,413	4,408	226	5.40
Collection	12,195	11,359	10,966	11,318	11,286	13,075	14,416	17,222	18,183	17,248	15,140	15,132	2,957	24.25
Info. Rtrms. Prog.	1,621	2,220	2,748	2,893	2,963	3,367	3,553	3,410	3,651	4,467	4,962	5,767	4,146	255.77
EP/ED	2,272	2,383	2,454	2,357	2,286	2,142	2,017	2,115	2,432	2,418	2,401	2,393	121	5.33
Total enforcement	51,647	50,322	51,413	51,969	52,823	53,451	54,747	57,566	60,467	61,721	60,145	63,880	12,233	23.69
Tax processing	24,780	25,425	25,514	25,601	25,405	23,884	19,723	17,915	16,546	19,605	22,466	20,153	(4,627)	-18.67
Systems modernization							400	731	2,835	3,274	3,380	3,382	3,382	
Taxpayer service	4,609	4,876	5,034	5,263	5,533	5,225	4,065	4,274	4,304	4,434	4,734	4,710	101	2.19
Other ¹	3,228	3,120	3,368	3,335	3,703	3,596	3,922	3,117	3,483	3,225	2,999	2,959	(269)	-8.33
Total service	84,264	83,743	85,329	86,168	87,464	86,156	82,857	83,603	87,635	92,259	93,724	95,084	10,820	12.84

NOTES:

¹ Includes Executive Direction, Management Services, Technical Rulings, Statistical Reporting, and the Data Center.

(1) The Actual columns of the fiscal year 1978-1987 Congressional Submissions were used. Fiscal year 1986 and fiscal year 1987 were derived from the fiscal year 1987 Congressional Submission.

(2) Adjustments were made to the budget structures in an attempt to maintain a consistent classification of the programs throughout the years.

(3) Resources for the IRP program were extracted from Examination, Collection, Returns Processing, Computer Services, and Taxpayer Service. Prior to fiscal year 1983, the IRP resources represent the best available estimates rather than actual data.

(4) Adjustments in FTE were made to the fiscal year 1983-fiscal year 1986 columns to bring the actuals into agreement with 1136 report totals.

(5) Systems Modernization includes staff devoted to design and implementation of ADP and systems modernization (ACS, AES, etc.). Computer operators at IRS service centers are, however, included under tax processing.

COMMISSIONER OF INTERNAL REVENUE,
Washington, DC, May 29, 1986.

Hon. J.J. PICKLE,
Chairman, Oversight Subcommittee, House of Representatives, 1105 Longworth House Office Building, Washington, DC.

DEAR MR. CHAIRMAN: This letter is in response to your May 19 request for information on the Internal Revenue Service's budget. Specifically, you asked the Service to supply an estimate of the maximum amount of resources of both staffing and funding that the IRS could assimilate effectively and productively.

The Service could assimilate—that is hire, train and deploy—approximately 12,000 additional positions over the FY 87 budget request of 95,000 positions. Slightly over half of these positions would be devoted to other

than direct revenue producing programs. These positions would be devoted to improving the processing of tax returns and resolving taxpayer account and tax law inquiries more expeditiously.

In terms of direct enforcement efforts, the Service could add 3,000 staff years in collection, 500 staff years in appeals and tax litigation, 500 staff years in examination, and 375 staff years in the information returns program. In total, we believe that these direct enforcement programs would yield between \$1.7 and \$1.8 billion. In addition to these enforcement personnel, approximately 800 additional staff years could be added in other enforcement areas, such as Criminal Investigation and compliance research. However, the IRS does not have yield data for these other enforcement activities. De-

tails on the total staffing allocations are set forth in Enclosure A to this letter. To assimilate this volume of new positions, particularly in district offices, authority to hire would have to be received in advance of the fiscal year to cope with recruiting, space, and other significant logistical problems.

In addition to personnel, the Service estimates that it could assimilate \$75 million in automated data processing and systems modernization costs.

A summary description of these initiatives and their effect on the tax administration system is set forth in Enclosure B. I hope this information is responsive to your request.

Sincerely yours,

JAMES I. OWENS,
Acting Commissioner.

INTERNAL REVENUE SERVICE ADDITIONAL RESOURCES WHICH COULD BE ASSIMILATED IN FISCAL YEAR 1987 ABOVE THE PRESIDENT'S BUDGET REQUEST

(Dollars in millions)

	Salaries and expenses		Processing tax returns		Examination and appeals and		Investigation, collection and taxpayer service		Total		Additional revenue collected or accelerated
	FTE	Dollars	FTE	Dollars	FTE	Dollars	FTE	Dollars	FTE	Dollars	
Fiscal year 1987 President's budget request	2,044	95.1	27,327	1,262.9	38,974	1,603.2	26,739	1,136.6	95,084	4,097.8	
Additional resources:											
Process tax returns			5,480	180.0					5,480	180.0	125
Taxpayer service							1,500	70.0	1,500	70.0	

INTERNAL REVENUE SERVICE ADDITIONAL RESOURCES WHICH COULD BE ASSIMILATED IN FISCAL YEAR 1987 ABOVE THE PRESIDENT'S BUDGET REQUEST—Continued

(Dollars in millions)

	Salaries and expenses		Processing tax returns		Examination and appeals and		Investigation, collection and taxpayer service		Total		Additional revenue collected or accelerated
	FTE	Dollars	FTE	Dollars	FTE	Dollars	FTE	Dollars	FTE	Dollars	
Subtotal: Basic responsibilities			5,480	180.0			1,500	70.0	6,980	250.0	
Service center examination					100	3.0			100	3.0	23
Office audit					400	13.0			400	13.0	52
Subtotal: Examination					500	16.0			500	16.0	
Employee plans					125	5.0			125	5.0	
Appeals and tax litigation					500	20.0			500	20.0	470
Tax fraud							585	30.0	585	30.0	
Collection:											
Accounts receivable							2,000	90.0	2,000	90.0	730
Delinquent returns							1,000	40.0	1,000	40.0	204
Information returns ¹			375	15.0					375	15.0	160
Compliance research					250	10.0			250	10.0	
Subtotal: Enforcement			375	15.0	1,375	51.0	3,585	160.0	5,335	226.0	1,764
Statistics of income			50	2.0					50	2.0	
Inspection							125	5.0	125	5.0	
Total staffing			5,905	197.0	1,375	51.0	5,210	235.0	12,490	483.0	
ADP and systems modernization				41.5		10.5		23.0	0	75.0	
Total additional resources			5,905	238.5	1,375	61.5	5,210	258.0	12,490	558.0	
Grand total	2,044	95.1	33,232	1,501.4	40,349	1,664.7	31,949	1,394.6	107,574	4,655.8	

¹ The Service could assimilate an additional 1,500 positions in the Information Returns Program, effective July 1, 1987. This results in a FTE computation of 375.

ENCLOSURE B

INTERNAL REVENUE SERVICE

EXPLANATION OF ADDITIONAL RESOURCES WHICH COULD BE ASSIMILATED IN FY 87 ABOVE THE PRESIDENT'S BUDGET REQUEST

Process Tax Returns: 5,480 positions and \$180 million.

The Service could assimilate additional resources in its ten service centers. These additional resources would be used to:

Compensate for the continued decline in our ability to attract and retain a seasonal workforce;

Provide fully for the training of new and experienced employees;

Maintain quality improvement efforts begun in FY 1986;

Ensure timely posting of data from tax returns and payments to accounts;

Continue to reduce unpostable and adjustment inventories;

Provide better communication with taxpayers by improving correspondence procedures and practices;

Provide assistance to tax enforcement programs (e.g. pulling returns) and undertake expanded documents matching (for example; matching amounts of withheld tax against employer quarterly returns, tracking deferred adverse tax consequences, etc.), which would result in \$125 million in additional revenue; and

Process increased volume of currency and cash transaction reports.

Taxpayer Service: 1,500 positions and \$70 million.

The Service could assimilate additional resources to assist taxpayers in meeting their filing responsibilities and in resolving their concerns on the status of their tax accounts. The additional 1,500 positions would be applied to telephone answering and would achieve an 85 percent level of service. Some 15 million additional taxpayers would be assisted.

ADDITIONAL TAX ENFORCEMENT RESOURCES FOR FY 1987

Examination: 500 positions and \$16 million.

The Service could assimilate an additional 500 positions (above the 2,500 position increase in the President's FY 1987 budget) which would be devoted to:

Conducting correspondence examinations at the service centers involving issues such as unallowables, self-employment tax, multi-filers, etc., collecting an additional \$23 million in FY 1987 (100 positions);

Examining individual tax returns in the district offices thus increasing revenue collections in FY 1987 by \$52 million (400 positions);

Employee Plans: 125 positions and \$5 million.

The Service could assimilate 125 additional positions to reduce the backlog of requests for determination letters for employee plan as well as master and prototype plan sponsor amendments required by recent legislation (TEFRA, DEFRA & REA) (125 positions).

Appeals and Tax Litigation: 500 positions and \$20 million.

The Service could utilize an additional 500 positions to:

Settle and litigate over 3,000 cases involving \$100,000 or more in potential tax liability (200 positions);

Settle and litigate 6,500 cases involving \$10,000-\$20,000, primarily individual tax returns, currently in inventory and flowing from the increased correspondence and district office examinations (300 positions).

By closing these cases, the Service would accelerate collection of tax revenues by \$470 million in FY 1987.

Tax Fraud: 585 positions and \$30 million.

The Service could devote an additional 585 positions toward investigating cases involving foreign transactions and bank accounts which have potential for large amounts of unreported tax liabilities.

Collection: 3,000 positions and \$130 million.

The Service could assimilate an additional 3,000 positions in FY 1987 to devote to:

Collecting taxes owed but not paid thus reducing the inventory of accounts receivables. About \$730 million would be collected (2,000 positions).

Examining employment tax returns. These examinations would be conducted by revenue officers in connection with their work on securing delinquent returns from employers. An additional \$204 million would be collected in FY 1987 (1,000 positions).

Document Matching: 375 positions and \$15 million.

The Service could assimilate an additional 1,500 positions in FY 1987 to follow-up on all instances of unreported income identified through matching. However, because of the nature of the processing cycle the Service would not be able to effect this increase until July 1, 1987 thus realizing only 375 Full Time Equivalent (FTE). The additional resources would increase revenue collections annually by \$348 million, of which \$160 million would be collected in FY 1987.

Compliance Research: 250 positions and \$10 million.

The Service could assimilate an additional 250 positions to increase research in tax compliance.

The CHAIRMAN. The time of the gentleman from Texas [Mr. PICKLE] has expired.

Mr. RAHALL. Mr. Chairman, the bill before us today appropriates a total of \$13.8 billion in fiscal year 1987 for the Treasury Department, U.S. Postal Service, Executive Office of the President, and certain independent agencies. The total amount appropriated by this bill is \$938.2 million more than the administration's request and \$753.1 million more than the fiscal 1986 appropriation after the Gramm-Rudman reduction.

The measure eliminates funding for the Office of Management and Budget's [OMB] Office of Information and Regulatory Affairs, and includes a number of limitations on the use of funds, including a ban on the use of Federal employee health plan benefits to pay for abortions, except when the life of the woman would be endangered if the fetus were carried to term.

Most of the difference between the bill's total appropriation and the administration's request is due to the inclusion of \$650 million to compensate the Postal Service for revenue foregone as a result of preferred mailing rates available to nonprofit organizations, certain rural newspapers, and other preferred mailers, for which the administration proposed no funding. The Postal Service assures that this amount would be sufficient to maintain current preferred rates throughout fiscal 1987. This is an issue of concern to many of my fellow

West Virginians who realize that the elimination of this funding could lead to an increase in postage rates.

Also of interest to my constituents is the bills provision of \$150 million more than the administration requested for the Internal Revenue Service in order to improve compliance with tax laws and improve processing of tax returns. Adequate funding in this area is imperative if this Nation's citizens are to be instilled with confidence in our tax system. We cannot, in the name of deficit reduction, allow tax evaders to enjoy a free ride on the backs of honest taxpaying Americans. Furthermore, we cannot justify funding levels that result in the loss of tax returns or months of delay in returning to taxpayers that money which is rightfully theirs.

Of keen interest to many West Virginians is a restriction on the use of the funds appropriated by this bill with regard to auto record-keeping. This measure would prohibit the use of funds in the bill to implement Internal Revenue Service regulations regarding recordkeeping for vehicles used in business. Rules calling for "contemporaneous" recordkeeping caused quite an uproar in the State of West Virginia and throughout the Nation last year when the IRS published regulations in compliance with the Deficit Reduction Act of 1985. The regulations published by the IRS up to date in this regard place a formidable administrative task on employees and employers, an unreasonable burden which can lead to additional tax fraud. At this time, when the public is crying out for tax simplification, these types of regulations are a slap in the face to those who are trying to comply with the law.

The funding levels of this bill recognize the needs of my fellow West Virginians and all Americans. I am particularly pleased with the funding levels for the revenue forgone subsidy and IRS administration. Barring the adoption of any amendments which would devastate programs vital to my constituents, it will be my pleasure to support this legislation.

The Chair recognizes the gentleman from New Mexico [Mr. SKEEN], who has 1 minute remaining.

Mr. SKEEN. Mr. Chairman, I have no more requests for time, and I yield back the balance of my time.

The CHAIRMAN. The Clerk will read.

The Clerk read as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the following sums are appropriated, out of any money in the Treasury not otherwise appropriated, for the Treasury Department, the United States Postal Service, the Executive Office of the President, and certain Independent Agencies, for the fiscal year ending September 30, 1987, and for other purposes, namely:

TITLE I—TREASURY DEPARTMENT

OFFICE OF THE SECRETARY

SALARIES AND EXPENSES

For necessary expenses of the Office of the Secretary including operation and maintenance of the Treasury Building and Annex; hire of passenger motor vehicles; not to exceed \$22,000 for official reception and representation expenses; not to exceed \$200,000 for unforeseen emergencies of a con-

fidential nature, to be allocated and expended under the direction of the Secretary of the Treasury and to be accounted for solely on his certificate; not to exceed \$650,000, to remain available until expended, for repairs and improvements to the Main Treasury Building and Annex, \$55,642,000.

INTERNATIONAL AFFAIRS

For necessary expenses of the international affairs function of the Office of the Secretary, hire of passenger motor vehicles; maintenance, repairs, and improvements of, and purchase of commercial insurance policies for, real properties leased or owned overseas, when necessary for the performance of official business; not to exceed \$2,000,000 for official travel expenses; and not to exceed \$73,000 for official reception and representation expenses; \$22,442,000.

FEDERAL LAW ENFORCEMENT TRAINING CENTER

SALARIES AND EXPENSES

For necessary expenses of the Federal Law Enforcement Training Center, as a bureau of the Department of the Treasury, including purchase (not to exceed eight for police type use) and hire of passenger motor vehicles; for expenses for student athletic and related activities; uniforms without regard to the general purchase price limitation for the current fiscal year; the conducting of and participating in firearms matches and presentation of awards; not to exceed \$3,000,000 for repair, alteration, minor construction, and related equipment for the Federal Law Enforcement Training Center facility to remain available until expended; not to exceed \$2,000 for official reception and representation expenses; and services as authorized by 5 U.S.C. 3109: *Provided*, That funds appropriated in this account shall be available for State and local government law enforcement training on a space-available basis; training of foreign law enforcement officials on a space-available basis with reimbursement of actual costs to this appropriation; acceptance of gifts; training of private sector security officials on a space-available basis with reimbursement of actual costs to this appropriation; travel expenses of non-Federal personnel to attend State and local course development meetings at the Center; \$29,499,000.

FINANCIAL MANAGEMENT SERVICE

SALARIES AND EXPENSES

For necessary expenses of the Financial Management Service, \$251,117,000, of which not to exceed \$2,137,000 shall remain available until expended for systems modernization initiatives.

BUREAU OF ALCOHOL, TOBACCO AND FIREARMS

SALARIES AND EXPENSES

For necessary expenses of the Bureau of Alcohol, Tobacco and Firearms, including purchase of three hundred vehicles for police-type use for replacement only; and hire of passenger motor vehicles; hire of aircraft; and services of expert witnesses at such rates as may be determined by the Director; not to exceed \$5,000 for official reception and representation expenses; \$190,463,000 of which \$15,000,000 shall be available solely for the enforcement of the Federal Alcohol Administration Act during fiscal year 1987, and of which \$1,000,000 shall be available for the payment of attorneys' fees as provided by 18 U.S.C. 924(d)(2): *Provided*, That no funds appropriated herein shall be available for administrative expenses in connection with consolidating or centralizing within the Department of

the Treasury the records of receipts and disposition of firearms maintained by Federal firearms licensees or for issuing or carrying out any provisions of the proposed rules of the Department of the Treasury, Bureau of Alcohol, Tobacco and Firearms, on Firearms Regulations, as published in the Federal Register, volume 43, number 55, of March 21, 1978.

UNITED STATES CUSTOMS SERVICE

SALARIES AND EXPENSES

For necessary expenses of the United States Customs Service, including purchase of up to five hundred motor vehicles for replacement only, including four hundred and ninety for police-type use; hire of passenger motor vehicles; not to exceed \$10,000 for official reception and representation expenses; and awards of compensation to informers, as authorized by any Act enforced by the United States Customs Service; \$793,000,000, of which not to exceed \$150,000 shall be available for payment for rental space in connection with preclearance operations, and of which not less than \$300,000 shall be expended for additional part-time and temporary positions in the Honolulu Customs District, and not to exceed \$1,000,000, to remain available until expended, for research: *Provided*, That uniforms may be purchased without regard to the general purchase price limitation for the current fiscal year: *Provided further*, That none of the funds made available by this Act shall be available for administrative expenses to pay any employee overtime pay in an amount in excess of \$25,000: *Provided further*, That the Commissioner or his designee may waive this limitation in individual cases in order to prevent excessive costs or to meet emergency requirements of the Service: *Provided further*, That none of the funds made available by this Act may be used for administrative expenses in connection with the proposed redirection of the Equal Employment Opportunity Program: *Provided further*, That none of the funds made available by this Act shall be available for administrative expenses to reduce the number of Customs Service regions below seven during fiscal year 1986: *Provided further*, That the United States Customs Service shall hire and maintain an average of 14,891 full-time equivalent positions in fiscal year 1987: *Provided further*, That none of the funds made available in this or any other Act may be used to fund more than nine hundred and fifty positions in the Headquarters staff of the United States Customs Service in the fiscal year ending September 30, 1986 and the Customs Service shall begin planning to reduce headquarters staff to no more than nine hundred positions by September 30, 1987: *Provided further*, That no funds appropriated by this Act may be used to implement single eight hour shifts at airports and that all current services as provided by the Customs Service shall continue through September 30, 1987.

OPERATION AND MAINTENANCE, AIR INTERDICTION PROGRAM

For expenses, not otherwise provided for, necessary for the hire, lease, acquisition (transfer or acquisition from any other agency), operation and maintenance of aircraft, and other related equipment of the Air Program; \$67,200,000.

CUSTOMS FORFEITURE FUND

(LIMITATION ON AVAILABILITY OF DEPOSITS)

For necessary expenses of the Customs Forfeiture Fund, not to exceed \$8,000,000,

as authorized by Public Law 98-473 and Public Law 98-573; to be derived from deposits in the Fund.

CUSTOMS SERVICES AT SMALL AIRPORTS
(TO BE DERIVED FROM FEES COLLECTED)

Such sums as may be necessary, not to exceed \$365,000, for expenses for the provision of Customs services at certain small airports designated by the Secretary of the Treasury, including expenditures for the salaries and expenses of individuals employed to provide such services, to be derived from fees collected by the Secretary of the Treasury pursuant to section 236 of Public Law 98-573 for each of these airports, and to remain available until expended.

UNITED STATES MINT
SALARIES AND EXPENSES

For necessary expenses of the United States Mint; \$43,508,000, of which \$1,325,000 shall remain available until expended for research and development projects.

EXPANSION AND IMPROVEMENTS

For expansion and improvements to existing Mint facilities, \$694,000, to remain available until expended.

BUREAU OF THE PUBLIC DEBT
ADMINISTERING THE PUBLIC DEBT

For necessary expenses connected with any public-debt issues of the United States; \$218,564,000.

INTERNAL REVENUE SERVICE
SALARIES AND EXPENSES

For necessary expenses of the Internal Revenue Service, not otherwise provided; for executive direction and management services, and hire of passenger motor vehicles (31 U.S.C. 1343(b)); and services, as authorized by 5 U.S.C. 3109, at such rates as may be determined by the Commissioner; \$95,147,000, of which not to exceed \$25,000 for official reception and representation expenses and of which not to exceed \$500,000 shall remain available until expended, for research.

PROCESSING TAX RETURNS

For necessary expenses of the Internal Revenue Service not otherwise provided for; including processing tax returns; revenue accounting; computer services; and hire of passenger motor vehicles (31 U.S.C. 1343(b)); and services as authorized by 5 U.S.C. 3109, at such rates as may be determined by the Commissioner; \$1,332,902,000, of which not to exceed \$50,000,000 shall remain available until expended for systems modernization initiatives.

EXAMINATIONS AND APPEALS

For necessary expenses of the Internal Revenue Service for determining and establishing tax liabilities; employee plans and exempt organizations; tax litigation; hire of passenger motor vehicles (31 U.S.C. 1343(b)); and services as authorized by 5 U.S.C. 3109, at such rates as may be determined by the Commissioner; \$1,623,162,000.

INVESTIGATION, COLLECTION, AND TAXPAYER SERVICE

For necessary expenses of the Internal Revenue Service for investigation and enforcement activities; including purchase (not to exceed four hundred and fifty-one for replacement only, for police-type use) and hire of passenger motor vehicles (31 U.S.C. 1343(b)); securing unfiled tax returns; collecting unpaid accounts; examining selected employment and excise tax re-

turns; technical rulings; enforcement litigation; providing assistance to taxpayers; and services as authorized by 5 U.S.C. 3109, at such rates as may be determined by the Commissioner: *Provided*, That notwithstanding any other provision of this Act, none of the funds made available by this Act shall be used to reduce the number of positions allocated to taxpayer service activities below fiscal year 1984 levels, or to reduce the number of positions allocated to any other direct taxpayer assistance functions below fiscal year 1984 levels, including, but not limited to Internal Revenue Service toll-free telephone tax law assistance and walk-in assistance available at Internal Revenue Service field offices: *Provided further*, That the Internal Revenue Service shall fund the Tax Counseling for the Elderly Program at \$2,400,000. The Internal Revenue Service shall absorb within existing funds the administrative costs of the program in order that the full \$2,400,000 can be devoted to program requirements; \$1,196,581,000.

ADMINISTRATIVE PROVISIONS—INTERNAL REVENUE SERVICE

SECTION 1. Not to exceed 1 per centum of any appropriation made available to the Internal Revenue Service for the current fiscal year by this Act may be transferred to any other Internal Revenue Service appropriation.

SEC. 2. Not to exceed 15 per centum, or \$15,000,000, whichever is greater, of any appropriation made available to the Internal Revenue Service for document matching for the current fiscal year by this Act may be transferred to any other Internal Revenue Service appropriation for document matching.

SEC. 3. None of the funds made available by this Act shall be used to implement Temporary Internal Revenue Service Regulation section 1.274-5T or section 1.274-6T.

UNITED STATES SECRET SERVICE
SALARIES AND EXPENSES

For necessary expenses of the United States Secret Service, including purchase (not to exceed three hundred and forty-three vehicles for police-type use for replacement only) and hire of passenger motor vehicles; hire of aircraft; training and assistance requested by State and local governments, which may be provided without reimbursement; services of expert witnesses at such rates as may be determined by the Director; rental of buildings in the District of Columbia, and fencing, lighting, guard booths, and other facilities on private or other property not in Government ownership or control, as may be necessary to perform protective functions; the conducting of and participating in firearms matches and presentation of awards and for travel of Secret Service employees on protective missions without regard to the limitations on such expenditures in this or any other Act: *Provided*, That approval is obtained in advance from the House and Senate Committees on Appropriations; including \$6,000,000 for continued construction at the James J. Rowley Secret Service Training Center; for research and development; not to exceed \$7,500 for official reception and representation expenses; and for uniforms without regard to the general purchase price limitation for the current fiscal year; \$316,800,000, of which \$500,000 shall remain available until expended for research.

DEPARTMENT OF THE TREASURY—GENERAL PROVISIONS

SECTION 101. Appropriations to the Treasury Department in this Act shall be available for uniforms or allowances therefor, as authorized by law (5 U.S.C. 5901), including maintenance, repairs, and cleaning; purchase of insurance for official motor vehicles operated in foreign countries; entering into contracts with the Department of State for the furnishing of health and medical services to employees and their dependents serving in foreign countries; and services as authorized by 5 U.S.C. 3109.

SEC. 102. None of the funds appropriated by this title shall be used in connection with the collection of any underpayment of any tax imposed by the Internal Revenue Code of 1954 unless the conduct of officers and employees of the Internal Revenue Service in connection with such collection complies with subsection (a) of section 805 (relating to communication in connection with debt collection), and section 806 (relating to harassment or abuse), of the Fair Debt Collection Practices Act (15 U.S.C. 1692).

SEC. 103. (a) None of the funds appropriated by this Act may be used to disqualify, pursuant to section 411(d)(1)(B) of the Internal Revenue Code of 1954, any plan which has vesting requirements or provides for nonforfeitable rights to benefits, equal to or more stringent than 4/40.

(b) None of the funds appropriated by this Act may be used to issue an unfavorable advance determination letter, pursuant to section 411(d)(1)(B) of the Internal Revenue Code of 1954, with respect to any plan which has vesting requirements or provides for nonforfeitable rights to benefits, equal to or more stringent than 4/40.

SEC. 104. Not to exceed 1 per centum of any appropriations in this Act for the Department of the Treasury may be transferred between such appropriations. However, no such appropriation shall be increased or decreased by more than 1 per centum and any such proposed transfers shall be approved in advance by the Committees on Appropriations of the House and Senate.

SEC. 105. None of the funds made available by this Act may be used to place the United States Secret Service, the United States Customs Service, or the Bureau of Alcohol, Tobacco and Firearms under the operation, oversight, or jurisdiction of the Inspector General of the Department of the Treasury.

This title may be cited as the "Treasury Department Appropriations Act, 1987".

TITLE II—POSTAL SERVICE

PAYMENT TO THE POSTAL SERVICE FUND

For payment to the Postal Service Fund for revenue foregone on free and reduced rate mail, pursuant to subsections (b) and (c) of section 2401 of title 39, United States Code; and for meeting the liabilities of the former Post Office Department to the Employees' Compensation Fund and to Postal employees for earned and unused annual leave as of June 30, 1971, pursuant to 39 U.S.C. 2004; \$690,049,000: *Provided*, That mail for overseas voting and mail for the blind shall continue to be free: *Provided further*, That six-day delivery and rural delivery of mail shall continue at the 1983 level: *Provided further*, That none of the funds made available to the Postal Service by this Act shall be used to implement any rule, regulation, or policy of charging any officer or employee of any State or local child support enforcement agency, or any individual participating in a State or local program of child support enforcement, a fee for infor-

mation requested or provided concerning an address of a postal customer: *Provided further*, That none of the funds provided in this Act shall be used to consolidate or close small rural and other small post offices in the fiscal year ending on September 30, 1987.

This title may be cited as the "Postal Service Appropriation Act, 1987".

TITLE III

EXECUTIVE OFFICE OF THE PRESIDENT

COMPENSATION OF THE PRESIDENT

For compensation of the President, including an expense allowance at the rate of \$50,000 per annum as authorized by 3 U.S.C. 102; \$250,000: *Provided*, That none of the funds made available for official expenses shall be expended for any other purpose and any unused amount shall revert to the Treasury pursuant to section 1552 of title 31 of the United States Code: *Provided further*, That none of the funds made available for official expenses shall be considered as taxable to the President.

OFFICE OF ADMINISTRATION

SALARIES AND EXPENSES

For necessary expenses of the Office of Administration; \$16,238,000 including services as authorized by 5 U.S.C. 3109 and 3 U.S.C. 107, and hire of passenger motor vehicles.

THE WHITE HOUSE OFFICE

SALARIES AND EXPENSES

For necessary expenses for the White House as authorized by law, including not to exceed \$3,850,000 for services as authorized by 5 U.S.C. 3109 and 3 U.S.C. 105; including subsistence expenses as authorized by 3 U.S.C. 105, which shall be expended and accounted for as provided in that section; hire of passenger motor vehicles, newspapers, periodicals, teletype news service, and travel (not to exceed \$100,000 to be expended and accounted for as provided by 3 U.S.C. 103); not to exceed \$20,000 for official entertainment expenses, to be available for allocation within the Executive Office of the President; \$25,179,000.

EXECUTIVE RESIDENCE AT THE WHITE HOUSE

OPERATING EXPENSES

For the care, maintenance, repair and alteration, refurbishing, improvement, heating and lighting, including electric power and fixtures, of the Executive Residence at the White House and official entertainment expenses of the President; \$4,942,000, to be expended and accounted for as provided by 3 U.S.C. 105, 109-110, 112-114.

OFFICIAL RESIDENCE OF THE VICE PRESIDENT

OPERATING EXPENSES

For the care, maintenance, repair and alteration, refurbishing, improvement, heating and lighting, including electric power and fixtures, of the official residence of the Vice President, and not to exceed \$60,000 for official entertainment expenses of the Vice President, to be accounted for solely on his certificate: \$211,000: *Provided*, That advances or repayments or transfers from this appropriation may be made to any department or agency for expenses of carrying out such activities.

SPECIAL ASSISTANCE TO THE PRESIDENT

SALARIES AND EXPENSES

For necessary expenses to enable the Vice President to provide assistance to the Presi-

dent in connection with specially assigned functions, services as authorized by 5 U.S.C. 3109 and 3 U.S.C. 106, including subsistence expenses as authorized by 3 U.S.C. 106, which shall be expended and accounted for as provided in that section; and hire of passenger motor vehicles; \$1,849,000.

COUNCIL OF ECONOMIC ADVISERS

SALARIES AND EXPENSES

For necessary expenses of the council in carrying out its functions under the Employment Act of 1946 (15 U.S.C. 1021); \$2,346,000.

OFFICE OF POLICY DEVELOPMENT

SALARIES AND EXPENSES

For necessary expenses of the Office of Policy Development, including services as authorized by 5 U.S.C. 3109, and 3 U.S.C. 107; \$2,665,000.

NATIONAL CRITICAL MATERIALS COUNCIL

SALARIES AND EXPENSES

For necessary expenses of the National Critical Materials Council, including activities as authorized by Public Law 98-373; \$250,000.

NATIONAL SECURITY COUNCIL

SALARIES AND EXPENSES

For necessary expenses of the National Security Council, including services as authorized by 5 U.S.C. 3109; \$4,627,000.

OFFICE OF MANAGEMENT AND BUDGET

SALARIES AND EXPENSES

For necessary expenses of the Office of Management and Budget, including hire of passenger motor vehicles, services as authorized by 5 U.S.C. 3109; \$34,274,000: *Provided*, That none of the funds appropriated in this Act for the Office of Management and Budget may be used for the purpose of reviewing any agricultural marketing orders or any activities or regulations under the provisions of the Agricultural Marketing Agreement Act of 1937 (7 U.S.C. 601 et seq.): *Provided further*, That none of the funds made available for the Office of Management and Budget by this Act may be expended for the review of the transcript of actual testimony of witnesses, except for testimony of officials of the Office of Management and Budget, before the Committee on Appropriations or the Committee on Veterans' Affairs or their subcommittees: *Provided further*, That this proviso shall not apply to printed hearings released by the Committee on Appropriations or the Committee on Veterans' Affairs: *Provided further*, That none of the funds made available by this Act or any other Act shall be used to reduce the scope or publication frequency of statistical data relative to the operations and production of the alcoholic beverage and tobacco industries below fiscal year 1985 levels: *Provided further*, That none of the funds appropriated by this Act shall be available to the Office of Management and Budget for revising, curtailing or otherwise amending the administrative and/or regulatory methodology employed by the Bureau of Alcohol, Tobacco and Firearms to assure compliance with section 205, title 27 of the United States Code (Federal Alcohol Administration Act) or with regulations, rulings or forms promulgated thereunder: *Provided further*, That none of the funds made available by this Act shall be available to fund activities of the Office of Information and Regulatory Affairs.

OFFICE OF FEDERAL PROCUREMENT POLICY

SALARIES AND EXPENSES

For expenses of the Office of Federal Procurement Policy, including services as authorized by 5 U.S.C. 3109; \$1,660,000.

UNANTICIPATED NEEDS

For expenses necessary to enable the President to meet unanticipated needs, in furtherance of the national interest, security, or defense which may arise at home or abroad during the current fiscal year; \$1,000,000.

This title may be cited as the "Executive Office Appropriations Act, 1987".

TITLE IV—INDEPENDENT AGENCIES

ADMINISTRATIVE CONFERENCE OF THE UNITED STATES

SALARIES AND EXPENSES

For necessary expenses of the Administrative Conference of the United States, established by the Administrative Conference Act, as amended (5 U.S.C. 571 et seq.) including not to exceed \$1,000 for official reception and entertainment expenses; \$1,559,000.

ADVISORY COMMISSION ON INTERGOVERNMENTAL RELATIONS

SALARIES AND EXPENSES

For expenses necessary to carry out the provisions of the Advisory Commission on Intergovernmental Relations Act of 1959, as amended, 42 U.S.C. 4271-79; \$1,045,000, and additional amounts collected from the sale of publications shall be credited to and used for the purposes of this appropriation.

ADVISORY COMMITTEE ON FEDERAL PAY

SALARIES AND EXPENSES

For necessary expenses of the Advisory Committee on Federal Pay, established by 5 U.S.C. 5306; \$229,000.

COMMITTEE FOR PURCHASE FROM THE BLIND AND OTHER SEVERELY HANDICAPPED

SALARIES AND EXPENSES

For necessary expenses of the Committee for Purchase From the Blind and Other Severely Handicapped established by the Act of June 23, 1971, Public Law 92-28, including hire of passenger motor vehicles; \$778,000: *Provided*, That such funds shall not be used to administer the program authorized by such Act through the designation of any central nonprofit agency, as authorized by such Act, which fails to employ qualified handicapped individuals, as defined by the Rehabilitation Act of 1973 (Public Law 93-112), to fill job vacancies that may occur during the fiscal year, which fails to institute by December 31, 1986, an affirmative action program plan for hiring, placement, and advancement of handicapped individuals that includes numerical goals for employment of such persons, or which fails to submit to the Committee for Purchase From the Blind and Other Severely Handicapped an affirmative action accomplishment report and affirmative action program plan update by the end of the fiscal year, in accordance with Equal Employment Opportunity Commission management directives EEO-MD-711 dated November 2, 1982, and EEO-MD-711A dated October 4, 1983.

FEDERAL ELECTION COMMISSION

SALARIES AND EXPENSES

For necessary expenses to carry out the provisions of the Federal Election Campaign Act of 1971, as amended; \$12,000,000.

GENERAL SERVICES ADMINISTRATION

FEDERAL BUILDINGS FUND

LIMITATIONS ON AVAILABILITY OF REVENUE

The revenues and collections deposited into the Fund established pursuant to section 210(f) of the Federal Property and Administrative Services Act of 1949, as amended (40 U.S.C. 490(f)), shall be available for necessary expenses of real property management and related activities not otherwise provided for, including operation, maintenance, and protection of federally owned and leased buildings; rental of buildings in the District of Columbia; restoration of leased premises; moving Government agencies (including space adjustments) in connection with the assignment, allocation and transfer of space; contractual services incident to cleaning or servicing buildings and moving; repair and alteration of federally owned buildings, including grounds, approaches and appurtenances; care and safeguarding of sites; maintenance, preservation, demolition, and equipment; acquisition of buildings and sites by purchase, condemnation, or as otherwise authorized by law; conversion and extension of federally owned buildings; preliminary planning and design of projects by contract or otherwise; construction of new buildings (including equipment for such buildings); and payment of principal, interest, taxes, and any other obligations for public buildings acquired by purchase contract, in the aggregate amount of \$2,317,718,000 of which (1) not to exceed \$160,096,000 shall remain available until expended for construction of additional projects as authorized by law at locations and at maximum construction improvement costs (including funds for sites and expenses) as follows:

New Construction:
Alabama:
Jasper, Federal Building, \$3,376,000
Florida:
Miami, Federal Building (design), \$2,461,000
Illinois:
Chicago, Federal Building and Courthouse (site and design), \$32,087,000
New Jersey:
Paterson, Federal Building (site and design), \$1,500,000
New Mexico:
Columbus, Border Station, \$2,680,000
Pennsylvania:
Wilkes-Barre, Federal Building (Social Security Administration), \$20,672,000
South Carolina:
Columbia, Federal Building, Courthouse, Claim, \$1,057,000
Construction Projects, less than \$500,000, \$1,000,000:
Purchase:
New York:
Wellesley Island, Border Station, \$1,925,000
Other Selected Purchases, including options to purchase, \$93,338,000:

Provided, That each of the immediately foregoing limits of costs on new construction projects may be exceeded to the extent that savings are effected in other such projects, but by not to exceed 10 per centum: *Provided further*, That all funds for direct construction projects shall expire on September 30, 1988, and remain in the Federal Buildings Fund except funds for projects as to which funds for design or other funds have been obligated in whole or in part prior to such date: *Provided further*, That claims against the Government of less

than \$50,000 arising from direct construction projects, acquisitions of buildings and purchase contract projects pursuant to Public Law 92-313, be liquidated with prior notification to the Committees on Appropriations of the House and Senate to the extent savings are effected in other such projects; (2) not to exceed \$224,720,000, which shall remain available until expended, for repairs and alterations: *Provided further*, That funds in the Federal Buildings Fund for Repairs and Alterations shall, for prospectus projects, be limited to the amount by project as follows, except each project may be increased by an amount not to exceed 10 per centum unless advance approval is obtained from the Committees on Appropriations of the House and Senate for a greater amount:

Repairs and Alterations:
California:
Los Angeles, Federal Building, \$7,825,000
District of Columbia:
Federal Building #6, \$1,213,000
Federal Building #8, \$1,886,500
Federal Building #9, \$1,712,500
Federal Building #10A, \$1,121,000
General Accounting Office, \$3,552,500
Justice, \$599,500
State, \$2,764,500
Steam Distribution System, \$13,796,000
Kentucky:
Louisville Post Office, Courthouse, \$1,500,000
Missouri:
Kansas City, Federal Building, \$4,408,000
St. Louis, Federal Building (Mart), Phase I, \$2,000,000
Kansas City, 601 E. 12th, \$996,500
Kansas City, 1500 Bannister, \$2,560,000
St. Louis, 4300 Goodfellow, \$2,176,000
North Carolina:
Asheville, Federal Building, \$7,847,000
Texas:
San Antonio, Post Office, Courthouse, \$6,078,000
Minor Repairs and Alterations, \$144,684,000:

Provided further, That additional projects for which prospectuses have been fully approved may be funded under this category only if advance approval is obtained from the Committees on Appropriations of the House and Senate: *Provided further*, That all funds for repairs and alterations prospectus projects shall expire on September 30, 1988, and remain in the Federal Buildings Fund except funds for projects as to which funds for design or other funds have been obligated in whole or in part prior to such date; (3) not to exceed \$143,442,000 for payment on purchase contracts entered into prior to July 1, 1975; (4) not to exceed \$935,100,000 for rental of space; (5) not to exceed \$734,319,000 for real property operations; (6) not to exceed \$57,090,000 for program direction and centralized services; and (7) not to exceed \$62,951,000 for design and construction services which shall remain available until expended: *Provided further*, That for the purposes of this authorization, buildings constructed pursuant to the Public Buildings Purchase Contract Act of 1954 (40 U.S.C. 356), the Public Buildings Amendments of 1972 (40 U.S.C. 490), and buildings under the control of another department or agency where alterations of such buildings are required in connection with the moving of such other department or agency from buildings then, or thereafter to be, under the control of the General Services Administration shall be considered to be federally owned buildings: *Provided further*, That none of the funds available to

the General Services Administration shall be available for expenses in connection with any construction, repair, alteration, and acquisition project for which a prospectus, if required by the Public Buildings Act of 1959, as amended, has not been approved, except that necessary funds may be expended for each project for required expenses in connection with the development of a proposed prospectus: *Provided further*, That funds available in the Federal Buildings Fund may be expended for emergency repairs when advance approval is obtained from the Committees on Appropriations of the House and Senate: *Provided further*, That amounts necessary to provide reimbursable special services to other agencies under section 210(f)(6) of the Federal Property and Administrative Services Act of 1949, as amended (40 U.S.C. 490(f)(6)) and amounts to provide such reimbursable fencing, lighting, guard booths, and other facilities on private or other property not in Government ownership or control as may be appropriate to enable the United States Secret Service to perform its protective functions pursuant to 18 U.S.C. 3056 as amended, shall be available from such revenues and collections: *Provided further*, That revenues and collections and any other sums accruing to this fund during fiscal year 1987 excluding reimbursements under section 210(f)(6) of the Federal Property and Administrative Services Act of 1949 (40 U.S.C. 490(f)(6)) in excess of \$2,317,718,000 shall remain in the Fund and shall not be available for expenditure except as authorized in appropriation Acts.

FEDERAL SUPPLY SERVICE

OPERATING EXPENSES

For expenses authorized by law, not otherwise provided for, necessary for supply distribution (including contractual services incident to receiving, handling and shipping supply items), procurement (including royalty payments), inspection, standardization, property management, and other supply management activities, transportation activities, transportation audits by in-house personnel; utilization of excess and disposal of surplus personal property, and the rehabilitation of personal property including services as authorized by 5 U.S.C. 3109; \$170,839,000.

FEDERAL PROPERTY RESOURCES SERVICE

OPERATING EXPENSES

(Including transfer of funds)

For expenses, not otherwise provided for, necessary for carrying out the functions of the Administrator with respect to utilization of excess real property; the disposal of surplus real property; the utilization survey, deed compliance inspection, appraisal, environmental and cultural analysis, and land use planning functions pertaining to excess and surplus real property; the National Defense Stockpile established by the Strategic and Critical Materials Stock Piling Act, as amended (50 U.S.C. 98-98h, et seq.) the Defense Production Act of 1950, as amended (50 U.S.C. App. 2061, et seq.) including services as authorized by 5 U.S.C. 3109 and reimbursement for recurring security guard service; \$40,975,000, of which \$11,563,000 shall be derived from proceeds from transfers of excess real property and disposal of surplus real property and related personal property, subject to the provisions of the Land and Water Conservation Fund Act of 1965, as amended (16 U.S.C. 4601-5), and of which \$29,412,000 for the transportation, processing, refining, storage, security, maintenance,

rotation, and disposal of materials contained in or acquired for the stockpile shall remain available through fiscal year 1988.

NATIONAL DEFENSE STOCKPILE TRANSACTION FUND

For the year ending September 30, 1987, in addition to the funds previously appropriated for the National Defense Stockpile Transaction Fund, pursuant to 50 U.S.C. 98a and g(a), (2)(c), and 50 U.S.C. 100a, notwithstanding the provisions of 50 U.S.C. 98h, an additional \$5,000,000 is appropriated, to be available until expended, for a grant for construction of a strategic materials research facility at the University of Massachusetts at Amherst. Notwithstanding any other provision of the law, funds previously made available to the fund may be used for evaluating, testing, relocating, and upgrading stockpile materials to meet current stockpile specifications.

GENERAL MANAGEMENT AND ADMINISTRATION SALARIES AND EXPENSES

For necessary expenses of agency management of activities under the control of the General Services Administration, and general administrative and staff support services not otherwise provided for; for providing accounting, records management, and other support incident to adjudication of Indian Tribal Claims by the United States Court of Claims, and services authorized by 5 U.S.C. 3109; \$125,374,000, of which \$900,000 shall be available only for, and is hereby specifically earmarked for, personnel and associated costs in support of Congressional District and Senate State offices: *Provided*, That this appropriation shall be available, subject to reimbursement by the applicable agency, for services performed for other agencies pursuant to subsections (a) and (b) of section 1535 of title 31, United States Code.

INFORMATION RESOURCES MANAGEMENT SERVICE OPERATING EXPENSES

For expenses authorized by law, not otherwise provided for, necessary for carrying out Government-wide and internal responsibilities relating to automated data management, telecommunications, information resources management, and related activities, including services as authorized by 5 U.S.C. 3109; and for the Information Security Oversight Office established pursuant to Executive Order 12356; \$30,653,000.

OFFICE OF INSPECTOR GENERAL

For necessary expenses of the Office of Inspector General; \$21,108,000: *Provided*, That not to exceed \$10,000 shall be available for payment for information and detection of fraud against the Government, including payment for recovery of stolen Government property.

ALLOWANCES AND OFFICE STAFF FOR FORMER PRESIDENTS

For carrying out the provisions of the Act of August 25, 1958, as amended (3 U.S.C. 102 note), and Public Law 95-138; \$1,234,000: *Provided*, That the Administrator of General Services shall transfer to the Secretary of the Treasury such sums as may be necessary to carry out the provisions of such Acts.

GENERAL SERVICES ADMINISTRATION—GENERAL PROVISIONS

SECTION 1. The appropriate appropriation or fund available to the General Services Administration shall be credited with (1) cost of operation, protection, maintenance, upkeep, repair, and improvement, included as part of rentals received from Govern-

ment corporations pursuant to law (40 U.S.C. 129); and (2) appropriations or funds available to other agencies, and transferred to the General Services Administration, in connection with property transferred to the General Services Administration pursuant to the Act of July 2, 1948 (50 U.S.C. 451ff) and such appropriations or funds may be so transferred, with the approval of the Office of Management and Budget.

SEC. 2. Funds available to the General Services Administration shall be available for the hire of passenger motor vehicles.

SEC. 3. Appropriations available to any department or agency during the current fiscal year for necessary expenses, including maintenance or operating expenses, shall also be available for payment to the General Services Administration for charges for space and services and those expenses of renovation and alteration of buildings and facilities which constitute public improvements, performed in accordance with the Public Buildings Act of 1959 (73 Stat. 749), the Public Buildings Amendments of 1972 (86 Stat. 216), or other applicable law.

SEC. 4. Not to exceed 1 per centum of funds made available in appropriations for operating expenses and salaries and expenses, during the current fiscal year, may be transferred between such appropriations for mandatory program requirements. Any transfers proposed shall be submitted promptly to the Committees on Appropriations of the House and Senate for approval.

SEC. 5. Funds in the Federal Buildings Fund made available for fiscal year 1987 for Federal Buildings Fund activities may be transferred between such activities only to the extent necessary for mandatory program requirements. Any transfers proposed shall be submitted promptly to the Committees on Appropriations of the House and Senate for approval.

SEC. 6. Funds hereafter made available to the General Services Administration for the payment of rent shall be available for the purpose of leasing, for periods not to exceed thirty years, space in buildings erected on land owned by the United States.

NATIONAL ARCHIVES AND RECORDS ADMINISTRATION OPERATING EXPENSES

For necessary expenses in connection with National Archives and Records Administration and related activities, as provided by law, and for expenses necessary for the review and declassification of documents, and for the hire of passenger motor vehicles, \$105,321,000, of which \$4,000,000 for allocations and grants for historical publications and records as authorized by 44 U.S.C. 2504, as amended, shall remain available until expended.

OFFICE OF PERSONNEL MANAGEMENT SALARIES AND EXPENSES

(INCLUDING TRANSFER OF TRUST FUNDS)

For necessary expenses to carry out functions of the Office of Personnel Management pursuant to Reorganization Plan No. 2 of 1978 and the Civil Service Reform Act of 1978, including services as authorized by 5 U.S.C. 3109, medical examinations performed for veterans by private physicians on a fee basis, rental of conference rooms in the District of Columbia and elsewhere, hire of passenger motor vehicles, not to exceed \$2,500 for official reception and representation expenses, and advances for reimbursements to applicable funds of the Office of Personnel Management and the Federal Bureau of Investigation for expenses in-

curred under Executive Order 10422 of January 9, 1953, as amended; \$99,846,000 in addition to \$55,400,000 for administrative expenses for the retirement and insurance programs to be transferred from the appropriate trust funds of the Office of Personnel Management in the amounts determined by the Office of Personnel Management without regard to other statutes: *Provided*, That the provisions of this appropriation shall not affect the authority to use applicable trust funds as provided by section 8348(a)(1)(B) of title 5, U.S.C.: *Provided further*, That funds made available by this appropriation may be used, at the discretion of the Director of the Office of Personnel Management, to provide salaries, administrative support and for other expenses of the Commission on Executive, Legislative, and Judicial Salaries. No part of this appropriation shall be available for salaries and expenses of the Legal Examining Unit of the Office of Personnel Management established pursuant to Executive Order 9358 of July 1, 1943, or any successor unit of like purpose.

REVOLVING FUND

Pursuant to section 1304(e)(1)(ii) of title 5, United States Code, costs for entertainment expenses of the President's Commission on Executive Exchange shall not exceed \$12,000.

GOVERNMENT PAYMENT FOR ANNUITANTS, EMPLOYEES HEALTH BENEFITS

For payment of Government contributions with respect to retired employees, as authorized by chapter 89 of title 5, United States Code, and the Retired Federal Employees Health Benefits Act (74 Stat. 849), as amended, \$1,469,357,000, to remain available until expended.

PAYMENT TO CIVIL SERVICE RETIREMENT AND DISABILITY FUND

For financing the unfunded liability of new and increased annuity benefits becoming effective on or after October 20, 1969, as authority by 5 U.S.C. 8348, and annuities under special Acts to be credited to the Civil Service Retirement and Disability Fund, \$4,619,365,000: *Provided*, That annuities authorized by the Act of May 29, 1944, as amended (22 U.S.C. 3682(e)), August 19, 1950, as amended (33 U.S.C. 771-775), may hereafter be paid out of the Civil Service Retirement and Disability Fund.

MERIT SYSTEMS PROTECTION BOARD SALARIES AND EXPENSES

(INCLUDING TRANSFER OF FUNDS)

For necessary expenses to carry out functions of the Merit Systems Protection Board pursuant to Reorganization Plan Numbered 2 of 1978 and the Civil Service Reform Act of 1978, including services as authorized by 5 U.S.C. 3109, rental of conference rooms in the District of Columbia and elsewhere, hire of passenger motor vehicles; \$20,251,000, together with not to exceed \$1,200,000 for administrative expenses to adjudicate retirement appeals to be transferred from the Civil Service Retirement and Disability Fund in amounts determined by the Merit Systems Protection Board.

OFFICE OF SPECIAL COUNSEL SALARIES AND EXPENSES

For necessary expenses to carry out functions of the Office of the Special Counsel pursuant to Reorganization Plan Numbered 2 of 1978 and the Civil Service Reform Act of 1978 (Public Law 95-454), including services as authorized by 5 U.S.C. 3109, payment

of fees and expenses for witnesses, rental of conference rooms in the District of Columbia and elsewhere, and hire of passenger motor vehicles; \$4,640,000.

FEDERAL LABOR RELATIONS AUTHORITY

SALARIES AND EXPENSES

For necessary expenses to carry out functions of the Federal Labor Relations Authority, pursuant to Reorganization Plan No. 2 of 1978, and the Civil Service Reform Act of 1978, including services as authorized by 5 U.S.C. 3109, including hire of experts and consultants, hire of passenger motor vehicles, rental of conference rooms in the District of Columbia and elsewhere; \$17,064,000: *Provided*, That public members of the Federal Service Impasses Panel may be paid travel expenses and per diem in lieu of subsistence as authorized by law (5 U.S.C. 5703) for persons employed intermittently in the Government Service, and compensation as authorized by 5 U.S.C. 3109.

UNITED STATES TAX COURT

SALARIES AND EXPENSES

For necessary expenses, including contract reporting and other services as authorized by 5 U.S.C. 3109; \$25,538,000: *Provided*, That travel expenses of the judges shall be paid upon the written certificate of the judge.

This title may be cited as the "Independent Agencies Appropriations Act, 1987".

TITLE V—GENERAL PROVISIONS

THIS ACT

SECTION 501. Where appropriations in this Act are expendable for travel expenses of employees and no specific limitation has been placed thereon, the expenditures for such travel expenses may not exceed the amount set forth therein in the budget estimates submitted for the appropriations: *Provided*, That this section shall not apply to travel performed by uncompensated officials of local boards and appeal boards of the Selective Service System; to travel performed directly in connection with care and treatment of medical beneficiaries of the Veterans' Administration; to travel of the Office of Personnel Management in carrying out its observation responsibilities of the Voting Rights Act; or to payments to inter-agency motor pools where separately set forth in the budget schedules.

Sec. 502. No part of any appropriation contained in this Act shall be available to pay the salary of any person filling a position, other than a temporary position, formerly held by an employee who has left to enter the Armed Forces of the United States and has satisfactorily completed his period of active military or naval service and has within ninety days after his release from such service or from hospitalization continuing after discharge for a period of not more than one year made application for restoration to his former position and has been certified by the Office of Personnel Management as still qualified to perform the duties of his former position and has not been restored thereto.

Sec. 503. No part of any appropriation made available in this Act shall be used for the purchase or sale of real estate or for the purpose of establishing new offices inside or outside the District of Columbia: *Provided*, That this limitation shall not apply to programs which have been approved by the Congress and appropriations made therefor.

Sec. 504. No part of any appropriation contained in this Act shall remain available for obligation beyond the current fiscal year unless expressly so provided herein.

Sec. 505. The expenditure of any appropriation under this Act for any consulting service through procurement contract, pursuant to 5 U.S.C. 3109, shall be limited to those contracts where such expenditures are a matter of public record and available for public inspection, except where otherwise provided under existing law, or under existing Executive order issued pursuant to existing law.

Sec. 506. No part of any appropriation contained in this Act shall be available for the procurement of, or for the payment of, the salary of any person engaged in the procurement of any hand or measuring tool(s) not produced in the United States or its possessions except to the extent that the Administrator of General Services or his designee shall determine that a satisfactory quality and sufficient quantity of hand or measuring tools produced in the United States or its possession cannot be procured as and when needed from sources in the United States and its possessions, or except in accordance with procedures prescribed by section 6-104.4(b) of Armed Services Procurement Regulation dated January 1, 1969, as such regulation existed on June 15, 1970: *Provided*, That a factor of 75 per centum in lieu of 50 per centum shall be used for evaluating foreign source end products against a domestic source end product. This section shall be applicable to all solicitations for bids opened after its enactment.

Sec. 507. None of the funds made available to the General Services Administration pursuant to section 210(f) of the Federal Property and Administrative Services Act of 1949 shall be obligated or expended after the date of enactment of this act for the procurement by contract of any service which, before such date, was performed by individuals in their capacity as employees of the General Services Administration in any position of guards, elevator operators, messengers, and custodians, except that such funds may be obligated or expended for the procurement by contract of the covered services with sheltered workshops employing the severely handicapped under Public Law 92-28.

Sec. 508. No funds appropriated in this Act shall be available for administrative expenses in connection with implementing or enforcing any provisions of the rule TD ATF-66 issued June 13, 1980, by the Department of the Treasury, Bureau of Alcohol, Tobacco and Firearms on labeling and advertising of wine, distilled spirits and malt beverages, except if the expenditure of such funds is necessary to comply with a final order of the Federal court system.

Sec. 509. None of the funds appropriated by this Act may be obligated or expended in any way for the purpose of the sale, lease, rental, excessing, surplusage or disposal of any portion of land identified on the date of enactment of this Act as Fort DeRussy in Honolulu, Hawaii.

Sec. 510. None of the funds appropriated in this Act may be used for administrative expenses to close the Information Resources Management Office of the General Services Administration located in Sacramento, California.

Sec. 511. None of the funds made available by this Act for the Department of the Treasury may be used for the purpose of eliminating any existing requirement for sureties on customs bonds.

Sec. 512. None of the funds made available by this Act shall be available for any activity or for paying the salary of any government employee where funding an activity or

paying a salary to a government employee would result in a decision, determination, rule, regulation, or policy that would prohibit the enforcement of section 307 of the 1930 Tariff Act.

Sec. 513. None of the funds made available by this Act shall be available for the purpose of transferring control over the Federal Law Enforcement Training Center located at Glynnco, Georgia, out of the Treasury Department.

Sec. 514. No part of any appropriation contained in this Act shall be available for the procurement of, or for the payment of, the salary of any person engaged in the procurement of stainless steel flatware not produced in the United States or its possessions, except to the extent that the Administrator of General Services or his designee shall determine that a satisfactory quality and sufficient quantity of stainless steel flatware produced in the United States or its possessions, cannot be procured as and when needed from sources in the United States or its possessions or except in accordance with procedures provided by section 6-104.4(b) of Armed Services Procurement Regulations, dated January 1, 1969. This section shall be applicable to all solicitations for bids issued after its enactment.

Sec. 515. No part of any appropriation contained in this Act shall be used for publicity or propaganda purposes within the United States not heretofore authorized by the Congress.

Sec. 516. No part of any appropriation contained in this Act shall be available for the payment of the salary of any officer or employee of the United States Postal Service, who—

(1) prohibits or prevents, or attempts or threatens to prohibit or prevent, any officer or employee of the United States Postal Service from having any direct oral or written communication or contact with any member or committee of Congress in connection with any matter pertaining to the employment of such officer or employee or pertaining to the United States Postal Service in any way, irrespective of whether such communication or contact is at the initiative of such officer or employee or in response to the request or inquiry of such member or committee; or

(2) removes, suspends from duty without pay, demotes, reduces in rank, seniority, status, pay, or performance of efficiency rating, denies promotion to, relocates, reassigns, transfers, disciplines, or discriminates in regard to any employment right, entitlement, or benefit, or any term or condition of employment of, any officer or employee of the United States Postal Service, or attempts or threatens to commit any of the foregoing actions with respect to such officer or employee, by reason of any communication or contact of such officer or employee with any member or committee of Congress as described in paragraph (1) of this subsection.

Sec. 517. Except for vehicles provided to the President, Vice President and their families, or to the United States Secret Service, none of the funds provided in this Act to any Department or Agency shall be obligated or expended to procure passenger automobiles as defined in 15 U.S.C. 2001 with an EPA estimated miles per gallon average of less than twenty-two miles per gallon. The requirements of this section may be waived by the Administrator of the General Services Administration for special purpose or special mission automobiles.

Sec. 518. No funds appropriated by this Act shall be available to pay for an abortion, or the administrative expenses in connection with any health plan under the Federal employees health benefit program which provides any benefits or coverages for abortions.

Sec. 519. The provision of section 518 shall not apply where the life of the mother would be endangered if the fetus were carried to term.

Sec. 520. The United States Customs Service shall submit to the Committee on Appropriations and the Committee on Ways and Means once each month a report detailing, by Customs Service district, the number of positions authorized, and for which appropriations have been made, which are vacant.

Sec. 521. Effective January 15, 1987, none of the funds made available by this Act may be used to store, to maintain or to protect more than 122,911,736 troy ounces of silver deposited in the National Defense Stockpile.

Sec. 522. None of the funds made available by this Act shall be used to transfer any functions under the Strategic and Critical Materials Stock Piling Act (50 U.S.C. 98 et seq.) which were delegated to the Administrator of General Services under Executive Order 12155 (September 10, 1979) to any other agency, department, or instrumentality of the Federal Government.

TITLE VI—GENERAL PROVISIONS

DEPARTMENTS, AGENCIES, AND CORPORATIONS

SECTION 601. Unless otherwise specifically provided, the maximum amount allowable during the current fiscal year in accordance with section 16 of the Act of August 2, 1946 (60 Stat. 810), for the purchase of any passenger motor vehicle (exclusive of buses and ambulances), is hereby fixed at \$6,600 except station wagons for which the maximum shall be \$7,600: *Provided*, That these limits may be exceeded by not to exceed \$2,700 for police-type vehicles, and by not to exceed \$4,000 for special heavy-duty vehicles: *Provided further*, That the limits set forth in this section shall not apply to electric or hybrid vehicles purchased for demonstration under the provisions of the Electric and Hybrid Vehicle Research, Development, and Demonstration Act of 1976.

Sec. 602. Appropriations of the executive departments and independent establishments for the current fiscal year available for expenses of travel or for the expenses of the activity concerned, are hereby made available for quarters allowances and cost-of-living allowances, in accordance with 5 U.S.C. 5922-5924.

Sec. 603. Unless otherwise specified during the current fiscal year no part of any appropriation contained in this or any other Act shall be used to pay the compensation of any officer or employee of the Government of the United States (including any agency the majority of the stock of which is owned by the Government of the United States) whose post of duty is in the continental United States unless such person (1) is a citizen of the United States, (2) is a person in the service of the United States on the date of enactment of this Act, who, being eligible for citizenship, has filed a declaration of intention to become a citizen of the United States prior to such date and is actually residing in the United States, (3) is a person who owes allegiance to the United States, (4) is an alien from Cuba, Poland, South Vietnam, or the Baltic countries lawfully admitted to the United States for permanent residence, or (5) South Vietnamese, Cambodian and Laotian refugees paroled in the United States after January 1, 1975:

Provided, That for the purpose of this section, an affidavit signed by any such person shall be considered prima facie evidence that the requirements of this section with respect to his status have been complied with: *Provided further*, That any person making a false affidavit shall be guilty of a felony, and, upon conviction, shall be fined not more than \$4,000 or imprisoned for not more than one year, or both: *Provided further*, That the above penal clause shall be in addition to, and not in substitution for any other provisions of existing law: *Provided further*, That any payment made to any officer or employee contrary to the provisions of this section shall be recoverable in action by the Federal Government. This section shall not apply to citizens of Ireland, Israel, the Republic of the Philippines or to nationals of those countries allied with the United States in the current defense effort, or to temporary employment of translators, or to temporary employment in the field service (not to exceed sixty days) as a result of emergencies.

Sec. 604. Appropriations available to any department or agency during the current fiscal year for necessary expenses, including maintenance or operating expenses, shall also be available for payment to the General Services Administration for charges for space and services and those expenses of renovation and alteration of buildings and facilities which constitute public improvements performed in accordance with the Public Buildings Act of 1959 (73 Stat. 749), the Public Buildings Amendments of 1972 (86 Stat. 216), or other applicable law.

Sec. 605. Funds made available by this or any other Act for administrative expenses in the current fiscal year of the corporations and agencies subject to chapter 91 of title 31, United States Code, shall be available, in addition to objects for which such funds are otherwise available, for rent in the District of Columbia; services in accordance with 5 U.S.C. 3109; and the objects specified under this head, all the provisions of which shall be applicable to the expenditure of such funds unless otherwise specified in the Act by which they are made available: *Provided*, That in the event any functions budgeted as administrative expenses are subsequently transferred to or paid from other funds, the limitations on administrative expenses shall be correspondingly reduced.

Sec. 606. No part of any appropriation for the current fiscal year contained in this or any other Act shall be paid to any person for the filling of any position for which he or she has been nominated after the Senate has voted not to approve the nomination of said person.

Sec. 607. Pursuant to section 1415 of the Act of July 15, 1952 (66 Stat. 662), foreign credits (including currencies) owed to or owned by the United States may be used by Federal agencies for any purpose for which appropriations are made for the current fiscal year (including the carrying out of Acts requiring or authorizing the use of such credits), only when reimbursement therefor is made to the Treasury from applicable appropriations of the agency concerned: *Provided*, That such credits received as exchanged allowances or proceeds of sales of personal property may be used in whole or part payment for acquisition of similar items, to the extent and in the manner authorized by law, without reimbursement to the Treasury.

Sec. 608. No part of any appropriation contained in this or any other Act, shall be

available for interagency financing of boards, commissions, councils, committees, or similar groups (whether or not they are interagency entities) which do not have a prior and specific statutory approval to receive financial support from more than one agency or instrumentality.

Sec. 609. Funds made available by this or any other Act to (1) the General Services Administration, including the fund created by the Public Building Amendments of 1972 (86 Stat. 216), and (2) the "Postal Service Fund" (39 U.S.C. 2003), shall be available for employment of guards for all buildings and areas owned or occupied by the United States or the Postal Service and under the charge and control of the General Services Administration or the Postal Service, and such guards shall have, with respect to such property, the powers of special policemen provided by the first section of the Act of June 1, 1948 (62 Stat. 281; 40 U.S.C. 318), but shall not be restricted to certain Federal property as otherwise required by the proviso contained in said section and, as to property owned or occupied by the Postal Service, the Postmaster General may take the same actions as the Administrator of General Services may take under the provisions of sections 2 and 3 of the Act of June 1, 1948, (62 Stat. 281; 40 U.S.C. 318a, 318b), attaching thereto penal consequences under the authority and within the limits provided in section 4 of the Act of June 1, 1948 (62 Stat. 281; 40 U.S.C. 318c).

Sec. 610. None of the funds available under this or any other Act shall be available for administrative expenses in connection with the designation for construction, arranging for financing, or execution of contracts or agreements for financing or construction of any additional purchase contract projects pursuant to section 5 of the Public Building Amendments of 1972 (Public Law 92-313) during the period beginning October 1, 1976, and ending September 30, 1987.

Sec. 611. None of the funds made available pursuant to the provisions of this Act shall be used to implement, administer, or enforce any regulation which has been disapproved pursuant to a resolution of disapproval duly adopted in accordance with the applicable law of the United States.

Sec. 612. No part of any appropriation contained in, or funds made available by this or any other Act, shall be available for any agency to pay to the Administrator of the General Services Administration a higher rate per square foot for rental of space and services (established pursuant to section 210(j) of the Federal Property and Administrative Services Act of 1949, as amended) than the rate per square foot established for the space and services by the General Services Administration for the current fiscal year and for which appropriations were granted.

Sec. 613. (a)(1) Notwithstanding any other provision of law, and except as otherwise provided in this section, no part of any of the funds appropriated for the fiscal years ending September 30, 1987, or September 30, 1988, by this Act or any other Act, may be used to pay any prevailing rate employee described in section 5342(a)(2)(A) of title 5, United States Code, or any employee covered by section 5348 of that title—

(1) during the period from the date of expiration of the limitation imposed by section 613 of H.R. 3036, incorporated by reference in section 101(h) of Public Law 99-190, until the first day of the first applicable pay period that begins not less than ninety days

after that date, in an amount that exceeds the rate payable for the applicable grade and step of the applicable wage schedule in accordance with such section 613; and

(2) during the period consisting of the remainder, if any, of fiscal year 1987 and that portion of fiscal year 1988 that precedes the normal effective date of the applicable wage survey adjustment that is to be effective in fiscal year 1988, in an amount that exceeds, as a result of a wage survey adjustment, the rate payable under paragraph (1) of this subsection by more than the overall average percentage adjustment in the General Schedule during fiscal year 1987.

(b) Notwithstanding the provisions of section 9(b) of Public Law 92-392 or section 704(b) of Public Law 95-454, the provisions of subsection (a) of this section shall apply (in such manner as the Office of Personnel Management shall prescribe) to any prevailing rate employee to whom such section 9(b) applies.

(c) Notwithstanding any other provision of law, no prevailing rate employee described in subparagraph (B) or (C) of section 5342(a)(2) of title 5, United States Code, may be paid during the periods for which subsection (a) of this section is in effect at a rate that exceeds the rates that would be payable under subsection (a) were subsection (a) applicable to such employee.

(d) For the purpose of this section, the rates payable to an employee who is covered by this section and who is paid from a schedule that was not in existence on September 30, 1986, shall be determined under regulations prescribed by the Office of Personnel Management.

(e) Notwithstanding any other provision of law, rates of premium pay for employees subject to this section may not be changed from the rates in effect on September 30, 1986, except to the extent determined by the Office of Personnel Management to be consistent with the purpose of this section.

(f) The provisions of this section shall apply with respect to pay for services performed by any affected employee on or after October 1, 1986.

(g) For the purpose of administering any provision of law, rule, or regulation that provides premium pay, retirement, life insurance, or any other employee benefit, that requires any deduction or contribution, or that imposes any requirement or limitation, on the basis of a rate of salary or basic pay, the rate of salary or basic pay payable after the application of this section shall be treated as the rate of salary or basic pay.

(h) Nothing in this section may be construed to permit or require the payment to any employee covered by this section at a rate in excess of the rate that would be payable were this section not in effect.

(i) The Office of Personnel Management may provide for exceptions to the limitations imposed by this section if the Office determines that such exceptions are necessary to ensure the recruitment or retention of qualified employees.

Sec. 614. None of the funds made available in this Act may be used to plan, implement, or administer (1) any reduction in the number of regions, districts or entry processing locations of the United States Customs Service; or (2) any consolidation or centralization of duty assessment or appraisal functions of any offices in the United States Customs Service.

Sec. 615. During the period in which the head of any department or agency, or any other officer or civilian employee of the Government appointed by the President of

the United States, holds office, no funds may be obligated or expended in excess of \$5,000 to renovate, remodel, furnish, or redecorate the office of such department head, agency head, officer, or employee, or to purchase furniture or make improvements for any such office, unless such renovation, remodeling, furnishing, or redecoration is expressly approved by the Committees on Appropriations of the House and Senate.

Sec. 616. (a) If any individual or entity which provides or proposes to provide child care services for Federal employees applies to the officer or agency of the United States charged with the allotment of space in the Federal buildings in the community or district in which such individual or entity provides or proposes to provide such service, such officer or agency may allot space in such a building to such individual or entity if—

(1) such space is available;

(2) such officer or agency determines that such space will be used to provide child care services to a group of individuals of whom at least 50 percent are Federal employees; and

(3) such officer or agency determines that such individual or entity will give priority for available child care services in such space to Federal employees.

(b)(1) If an officer or agency allots space to an individual or entity under subsection (a), such space may be provided to such individual or entity without charge for rent or services.

(2) If there is an agreement for the payment of costs associated with the provision of space allotted under subsection (a) or services provided in connection with such space, nothing in title 31, United States Code, or any other provision of law, shall be construed to prohibit or restrict payment by reimbursement to the miscellaneous receipts or other appropriate account of the Treasury.

(3) For the purpose of this section, the term "services" includes the providing of lighting, heating, cooling, electricity, office furniture, office machines and equipment, telephone service (including installation of lines and equipment and other expenses associated with telephone service), and security systems (including installation and other expenses associated with security systems).

Sec. 617. Funds appropriated in this or any other Act may be used to pay travel to the United States for the immediate family of employees serving abroad in cases of death or life threatening illness of said employee.

PARTICIPATION IN THE COMBINED FEDERAL CAMPAIGN

Sec. 618. (a) ELIGIBILITY TO PARTICIPATE IN 1986.—(1) Notwithstanding any other provision of law, and any regulations prescribed thereunder, any application by the Federal Employee Education and Assistance Fund (a nonprofit corporation incorporated in the District of Columbia) for admission to the Combined Federal Campaign, whether in a particular community or otherwise, shall be considered without regard to any eligibility requirements, to the extent that such requirements relate to any period before the date on which such Fund became incorporated.

(2) The eligibility of the Fund to be admitted to the Combined Federal Campaign in a particular community shall also be determined without regard to any criteria relating to having a "direct and substantial presence" in the community involved.

(3) This subsection shall be effective only with respect to the Combined Federal Campaign as conducted during calendar year 1986.

(b) DEFINITIONS.—For the purpose of this section, the term "Combined Federal Campaign" and the term "community" each has the meaning given such term by section 950.101 of title 5 of the Code of Federal Regulations (as in effect on the date of the enactment of this Act).

Sec. 619. None of the fund appropriated by this Act or any other Act shall be used for preparing, promulgating or implementing any regulations dealing with organization participation in the 1986 and 1987 Combined Federal Campaign other than promulgating and implementing the 1984 and 1985 Combined Federal Campaign regulations, unless such regulations provide that any charitable organization which participated in any prior campaign shall be allowed to participate in 1986 and 1987 campaign.

Sec. 620. None of the funds appropriated or made available by this Act shall be used to implement or enforce the rule proposed on May 7, 1986 (51 Federal Register 16988-16991), or any other regulation issued pursuant to statute requiring competitive bidding for electricity, gas, or steam utility services acquired by the Federal Government.

Sec. 621. None of the funds appropriated by this or any other Act, may be used to repeal, amend or modify any policy, procedure or practice contained in 48 CFR, Subpart 19.5 and in effect May 1, 1986.

Sec. 622. None of the funds appropriated by this or any other Act may be used prior to April 1, 1987, to implement changes to OMB Circular A-21 made subsequent to February 11, 1986.

This Act may be cited as the "Treasury, Postal Service and General Government Appropriations Act, 1987".

Mr. ROYBAL (during the reading). Mr. Chairman, I ask unanimous consent that the remainder of the bill be considered as read, printed in the RECORD, and open to amendment at any point and that all debate on the bill and all amendments thereto end by 2:15 p.m.

The CHAIRMAN. Is there objection to the request of the gentleman from California?

Mr. FRENZEL. Mr. Chairman, I reserve points of order against sections 514 and 520.

The CHAIRMAN. Is there objection to the request of the gentleman from California?

Mr. JACOBS. Reserving the right to object, I would ask the chairman of the subcommittee how many amendments are anticipated and the logical allocation of the time he is limiting to each amendment? How would it divide out? How much time does the gentleman contemplate for each of the anticipated amendments?

Mr. ROYBAL. If the gentleman will yield, the Chair, I think, would have to make that determination. We have so far about four amendments, but it is my opinion it will be more than the four amendments.

Mr. JACOBS. Four amendments? Then it would be less than 10 minutes per amendment.

Mr. ROYBAL. It would be more than 10 minutes per amendment.

Mr. JACOBS. Would the gentleman amend his unanimous consent request to allow 15 minutes for any amendment where those wishing to speak request that much time?

Mr. ROYBAL. Well, we do not know how many amendments we will have. We could have more than—

Mr. JACOBS. Then I do not know whether I will object.

Mr. ROYBAL. The gentleman can do whatever he so desires.

Mr. JACOBS. I desire that everybody be assured that amendments involving important questions at least have 15 minutes each.

Mr. ROYBAL. The gentleman is asking an almost impossible question to answer at this time.

Mr. JACOBS. I am glad it is "almost."

Mr. ROYBAL. We do not know how many amendments there will be. We do know that we are to either rise or adjourn by 3 o'clock. We would like to, if possible, do as much as we possibly can to finish the bill, if it is possible. Not knowing how many amendments there are, I cannot comply with the request of the gentleman. If we knew how many amendments there were, perhaps we could. As of this moment, neither I, as chairman of this committee, nor does the Chairman of the Committee of the Whole House, know how many amendments there may be.

Mr. JACOBS. Let us say if there are five amendments, that there will be at least 15 minutes on each amendment if it is desired by the membership? It might not be.

Mr. ROYBAL. Five amendments; that would be 1 hour and 15 minutes. The gentleman from Illinois [Mr. GRAY] has just indicated that he has an amendment. That would be six.

We started with four; now we have six. We would like to know how many more amendments there are.

Mr. FRENZEL. Mr. Chairman, will the gentleman from Indiana yield on his reservation of objection?

Mr. JACOBS. Yes; I yield to the gentleman from Minnesota.

Mr. FRENZEL. I thank the gentleman for yielding.

The suggestion of the gentleman to the Chairman means that voting time will not detract from the 15 minutes allowed for debate on each of the amendments. Is that correct?

Mr. JACOBS. Obviously, obviously. And what if we did rise at 3 o'clock and came back and finished it, is that a mortal sin? It is a lot of money that we are talking about here.

Mr. FRENZEL. If the gentleman will yield further, there is over \$13 billion in here we are going to decide in an

hour if we accept the request of the Chairman.

Mr. JACOBS. Yes; it blows your mind, does it not?

Mr. ROYBAL. Since we do not know how many amendments there are, Mr. Chairman, and there appears to be an increasing number of amendments being considered every second, I believe at this moment it is best to withdraw this unanimous consent request and let us see what happens and let the Members of the House bring in all the amendments they want, and then we will probably have to rise around 3 o'clock this afternoon.

The CHAIRMAN. The gentleman withdraws his unanimous consent request.

Mr. JACOBS. Is the gentleman withdrawing his unanimous consent request? It is withdrawn.

The CHAIRMAN. Does the gentleman from California [Mr. ROYBAL] renew his unanimous consent request for opening the bill to amendment at any point?

Mr. ROYBAL. Mr. Chairman, I ask unanimous consent that the remainder of the bill be considered as read, printed in the RECORD, and open to amendment at any point.

The CHAIRMAN. Is there objection to the request of the gentleman from California?

There was no objection.

The CHAIRMAN. Are there any points of order against the bill?

The Chair would advise that any points of order must be made at this point.

Mr. FRENZEL. I did not hear the Chairman.

The CHAIRMAN. The Chair would advise that any points of order must be made at this point.

POINTS OF ORDER

Mr. FRENZEL. Mr. Chairman, I have a point of order against section 514.

The CHAIRMAN. The gentleman will state his point of order.

Mr. FRENZEL. Mr. Chairman, I make a point of order against section 514 of the bill as constituting legislation in an appropriation bill and therefore in violation of rule XXI, clause 2. It prohibits appropriated funds from being used in the procurement of any stainless steel flatware not produced in the United States except to the extent that the Administrator of General Services determines that a satisfactory quality and sufficient quantity of stainless steel flatware produced in the United States cannot be procured as and when needed for domestic sources.

Section 514 specifically imposes an additional duty on a Federal official to make a determination not otherwise required by law and establishes a procurement requirement not in existing law. Similar language in previous Treasury appropriation bills has been

stricken on points of order, and I urge that my point of order be sustained.

The CHAIRMAN. Does the gentleman from California wish to be heard on this point of order?

Mr. ROYBAL. Mr. Chairman, yes, I do. I will concede the point of order.

The CHAIRMAN (Mr. BEILENSON). The gentleman concedes the point of order, and the Chair, therefore, sustains the point of order.

Mr. FRENZEL. Mr. Chairman, I have a point of order against section 520.

The CHAIRMAN. The gentleman will state his point of order.

Mr. FRENZEL. Mr. Chairman, I make a point of order against this section as constituting legislation on an appropriation bill, therefore violating clause 2 of rule XXI. Section 520 would require the Customs Service to report to the Appropriations Committee and the Ways and Means Committee detailing by Customs district the number of positions authorized for which appropriations have been made which are vacant. It establishes monthly reporting requirements for the Customs Service not contained in existing law, and I therefore ask that my point of order be sustained.

The CHAIRMAN. Does the gentleman from California wish to be heard on the point of order?

Mr. ROYBAL. Mr. Chairman, the Chair concedes the point of order.

The CHAIRMAN (Mr. BEILENSON). The gentleman concedes the point of order, and the Chair therefore sustains the point of order.

Are there other points of order? No other points of order?

For what purpose does the gentleman from Pennsylvania seek recognition?

Mr. WALKER. I have an amendment at the desk.

The CHAIRMAN. The Clerk will report the amendment.

Does the gentleman from Illinois [Mr. ROSTENKOWSKI] have a point of order?

POINT OF ORDER

Mr. ROSTENKOWSKI. I have a point of order, Mr. Chairman.

The CHAIRMAN. The gentleman will state his point of order.

Mr. CONTE. It comes too late, Mr. Chairman. The Chairman had recognized the gentleman.

The CHAIRMAN. The Chair would advise the gentleman from Massachusetts [Mr. CONTE] that under some rules a point of order can be made at any time.

Mr. CONTE. No; it cannot. The gentleman from—all right.

The CHAIRMAN. The gentleman from Illinois will please state his point of order.

Mr. ROSTENKOWSKI. Mr. Chairman, I make a point of order against section 3 of Administrative Provisions

for the Internal Revenue Service of H.R. 5294.

Mr. Chairman, I make a point of order against section 3 on the ground that it is a tax measure that is in violation of paragraph (B), clause 5 of House rule 21.

Paragraph (B), clause 5 of House rule 21 makes tax and tariff amendments to bills and resolutions reported by any committee not having jurisdiction over such measures subject to a point of order at any time during House consideration of the legislation.

The term "tax measures" includes any provisions having the substantive effect of amending the Internal Revenue Code to impose a tax. The term also encompasses provisions having the substantive effect of amending the Internal Revenue Code to repeal a tax or to provide an otherwise unauthorized deduction.

Section 3 prohibits the use of funds appropriated by this act to implement certain specified Treasury regulations.

Those regulations are issued under Internal Revenue Code section 274(d). Section 274(d) already specifically requires taxpayers to maintain detailed information to substantiate expenses deducted on their Federal income tax returns.

Section 274(d) emphatically states that the taxpayer must substantiate by adequate records: First, the amount of the expense, second, the time and place of the expense, third, the business purpose of the expense, and fourth, the business relationship to the taxpayer. The regulating authority provided under this section is to implement these specific, detailed requirements already in the code.

Let me explain the very significant practical consequences of this provision in the appropriation bill, Mr. Chairman.

This substantiation is required by Public Law 99-44, the 1985 legislation which reiterated the code's substantiation requirements when it repealed the contemporaneous recordkeeping requirement for certain automobile expenses.

The statutory language that I have described was passed as part of a carefully crafted compromise in 1985. The conference agreement of the 1985 act passed the House of Representatives by a vote of 412 to 1.

It is reasonable to expect the issuance of new tax regulations to take 2 years before they can be finalized. In fact, the average period of time before regulations are issued is probably longer than 2 years.

The process of issuing tax regulations is as follows. The regulation is:

Drafted by an IRS attorney;

Reviewed by an IRS attorney;

Reviewed by the division director of the IRS Legislation and Regulations Division;

Reviewed by the IRS Chief Counsel;

Reviewed by the IRS Commissioner's staff;

Reviewed by a Treasury docket attorney;

Reviewed by upper level staff of the Treasury Department; and

Reviewed by OMB.

Changes are made at each stage of this process. When this first review process is completed and changes incorporated, the process is repeated. After the second review process, the document is signed by all the participants.

The resulting document is published in the Federal Register as proposed temporary regulations. The public is allowed 60 days to provide comments.

That public comment period is followed by a public hearing for which 30 days' notice is provided.

These public comments are then incorporated and the whole review process begins again before regulations are finalized.

This process is required by law. The lengthy period for public comment is required by either the Administrative Procurement Act or Treasury's own rules. The courts require that the treasury follow its own procedures in issuing regulations. If the Treasury does not follow these procedures, the courts will invalidate the regulations. So there is no way for the IRS to eliminate any of the major stages in this process.

As we see, 2 years is an optimistic timetable for completion of this process.

Until revised regulations are issued, the IRS cannot enforce the tax law. This means that the Federal Government will not collect the revenue that we counted on when we passed the 1985 act.

For fiscal year 1987, according to the Joint Committee on Taxation, this provision could lose approximately \$200 million in revenues.

Mr. Chairman, this provision is clearly a tax measure within the meaning of rule 21.

I will note that the Chair sustained a similar point of order on July 26, 1985, against a funding prohibition for Treasury regulations affecting certain continuing care facilities that was contained in that Treasury-appropriations measure.

In addition, on September 12, 1984, a point of order was sustained against a provision limiting the use of funds appropriated in that Appropriations Act or any other act to impose of assess tax due on custom gun manufacturers.

Mr. Chairman, I urge the Chair to sustain this point of order.

□ 1315

The CHAIRMAN. Does the gentleman from Massachusetts [Mr. CONTE] wish to be heard on the point of order?

Mr. CONTE. Mr. Chairman, I rise in opposition to the point of order. The gentleman has raised a point of order under rule 21 clause 5(b), which reads in pertinent part:

No bill or joint resolution carrying a tax or tariff measure shall be reported by any committee not having jurisdiction to report tax and tariff measures.

The point of order is made against section 3 of the bill which denies the use of funds in the bill to implement two sections of specific IRS regulation.

Clause 5(b) was adopted in 1983. Its application has been progressively widened by a series of rulings in 1983, 1984, and 1985. The Chair's ruling on the pending point of order will determine whether clause 5(b) will be widened to a point where it threatens to destroy an integral part of the parliamentary law through which we exercise the appropriation power delegated to us by the Constitution.

Because this ruling presents such an important question, I ask the indulgence of the Chair and of the committee in developing my argument against the point of order.

I respectfully direct the attention of the Chair to the statement by the distinguished majority leader on January 3, 1986, page H7, where in discussing the new rule the majority leader said:

The sixth change that we propose in the rules would allow a new point of order to be raised at any time against a provision measure, unless that measure was reported by the Committee on Ways and Means, the committee which has proper jurisdiction over those matters.

This statement, which is the only legislative history available to us, clearly suggests that a "tax measure" be defined in terms of the jurisdiction of the Committee on Ways and Means over "those matters."

The question the Chair must decide then is whether a limitation on a specific object—two sections of a specific IRS regulation—falls within the jurisdiction of the Committee on Ways and Means.

That question, I submit, was settled in 1865 when revenue and appropriations were given to separate committees.

The pertinent jurisdiction of the Committee on Ways and Means is "revenue measures."

The pertinent jurisdiction of the Committee on Appropriations is "appropriation of the revenue for the support of the Government."

And it has been held consistently that in the exercise of its jurisdiction, the committee may by limitation deny funds for a purpose otherwise authorized by law, so long as that limitation does not change existing law.

The language in question is not a "tax measure" or a "revenue measure." It does not change existing law. It does not establish a new tax, or directly repeal or amend an existing tax.

It is clearly consistent with the doctrine of limitations which has been carefully developed over many years, and which was definitively stated by Chairman Nelson Dingley of Maine on January 17, 1896.

The House in Committee of the Whole has the right to appropriate for any object which it may deem improper, although that object may be authorized by law; and it has been contended, and on various occasions sustained by the Committee of the Whole, that if the committee has the right to refuse to appropriate anything for a particular purpose authorized by law it can appropriate for only part of that purpose and prohibit the use of the money for the rest of the purpose * * *.

That principle of limitation has been sustained so repeatedly that it may be regarded as part of the parliamentary law of the Committee of the Whole.

Previous rulings of the Chair have all been grounded on changes in existing law or tax policy. None of these rulings have applied clause 5(b) to a limitation on appropriations for a specific object within the IRS.

To do so would be to drastically narrow the "principle of limitation" that is "part of the parliamentary law of the Committee of the Whole."

To do so would give the Committee on Ways and Means effective jurisdiction over any bill or amendment that would reduce, increase, or place conditions on appropriations for the IRS.

That construction of the rule is not reasonable or workable, and is not justified by the language of the clause or its legislative history. I urge the Chair to overrule the point of order.

Mr. FRENZEL. Mr. Chairman, I wish to be heard on the point of order.

The CHAIRMAN. The gentleman from Minnesota is recognized to speak on the point of order.

Mr. FRENZEL. Mr. Chairman, with respect to the defense raised by the gentleman from Massachusetts, Chairman Dingley, when he performed in 1896, was about 80 years ahead, or slightly more than that, of the rule that the chairman of the Ways and Means Committee accuses this particular section of violating and, therefore, Chairman Dingley's at least are irrelevant to the matter at hand.

The point of order should be sustained.

The CHAIRMAN (Mr. BEILENSEN). The Chair thanks the three gentlemen for presenting their arguments and is prepared to rule, unless another Member wishes to speak to this point of order.

The gentleman from Illinois makes a point of order against section 3 of the bill on the grounds that it contains a tax or tariff measure in a bill not reported from a committee having that jurisdiction, in violation of clause 5(b) of rule XXI. The section prohibits the use of funds in the bill to implement certain specified Treasury regulations. Those regulations, issued under sec-

tion 274(d) of the Internal Revenue Code, detail the law's specific requirement that taxpayers maintain detailed information to substantiate the deductibility of certain expenses on their tax returns. Without these regulations, taxpayers, as well as the IRS, will have no guidance. While it is correct that new regulations could be promulgated, in the opinion of the chair there will necessarily be a delay before new regulations would be in place. In the interim, the IRS cannot enforce the law and would necessarily result in a direct loss of revenue to the Federal Treasury.

The Chair would also say in response to the specific argument presented by the distinguished gentleman from Massachusetts that it believes that the progression of decisions under clause 5(b), rule XXI with respect to limitations on availability of funds for the IRS or Customs Service in this general appropriation bill stand for the proposition that a limitation otherwise in order under clause 2(c) of rule XXI can still be construed as a "tax or tariff measure" where it can be conclusively shown that the imposition of the restriction on IRS funding for the fiscal year will effectively and inevitably either preclude the IRS from collecting revenues otherwise due and owing under provisions of the Internal Revenue Code or require collection of revenue not legally due and owing.

□ 1325

It may be permissible for the Committee on Appropriations to recommend limitations on IRS or Customs Service funding which do not inevitably result in a change in tax or tariff liability for the fiscal year in question, such as certain limitations on administrative activities of those agencies, but in this case the Chair has been shown that the limitation does inevitably change the tax status of some taxpayers during all or a part of the fiscal year. The effect of this ruling is not therefore, as contended by the gentleman from Massachusetts, to "give the Committee on Ways and Means effective jurisdiction over any bill or amendment that would reduce, increase, or place conditions on appropriations for the IRS," but is only to preclude limitations which as a matter of law would change tax status or liability by the inevitable effect on the ability of the IRS to collect revenues.

The Chair, therefore, upholds the point of order made by the gentleman from Illinois.

Are there any additional points of order?

Mr. ROSTENKOWSKI. Mr. Chairman, I have an additional point of order.

The CHAIRMAN. The Chair recognizes the gentleman from Illinois on his point of order.

Mr. ROSTENKOWSKI. Mr. Chairman, I make a point of order against section 103 of H.R. 5294 on the ground that it is a tax measure that is in violation of paragraph (B), clause 5 of House rule 21.

Paragraph (B), clause 5 of House rule 21 makes tax and tariff measures reported by and committee not having jurisdiction over such measures subject to a point of order at any time during House consideration of the legislation.

Section 103 of H.R. 5294 is clearly a tax measure within the meaning of rule 21.

Section 103 would deny funds under the act to the Internal Revenue Service to impose vesting requirements for qualified pension plans under Internal Revenue Code section 411 more stringent than 4/40.

Section 411 of the code sets forth minimum vesting standards which must be met for a plan to be "qualified" by the Internal Revenue Service. Section 411 was generally added to the code to insure that pension plans were equitable to rank and file employees by requiring that qualified plans provide a nonforfeitable right to benefits by all employees within a reasonable time period.

Section 411 gave the Service statutory authority to impose vesting standards by regulation. In addition, section 411(d)(1)(B) gives the Service authority to disqualify a plan if its vesting requirements discriminate in favor of highly compensated employees, key employees, or shareholders.

The Tenth Circuit Court of Appeals, in *Tamko Asphalt versus Commissioner*, noted that "Congress expected the IRS to require a plan's benefits to vest more rapidly when the turnover rate of rank and file employees is significantly greater than the rate of employees who are officers, shareholders, or highly compensated."

Thus, it seems clear that the Service has the statutory authority to both impose vesting standards and to disqualify plans that have discriminatory vesting standards.

Section 103 of H.R. 5294 would limit the types of vesting standards that can be imposed by the IRS and that were contemplated when code section 411 was enacted.

No funds would be available to disqualify plans or to issue unfavorable advance determination letters if a pension plan has vesting standards at least equal to 4/40—that is a nonforfeitable right to 40 percent of benefits after 4 years of service.

This provision is clearly a tax measure within the meaning of clause 5(b) of rule 21.

Mr. Chairman, prior rulings have held that a provision which has the effect of rendering a legally required

tax uncollectible is a tax measure within the meaning of rule 21.

Section 103 clearly meets this test. Taxes on employer contributions to pension plans with vesting schedules that discriminate in favor of key employees will be deferred even if the statute contemplates current taxation of those contributions.

Consequently, prohibitions on disqualifications result in tax deferral on income that is legally taxable currently.

Section 103 is clearly a tax measure. I urge the Chair to sustain this point of order.

The CHAIRMAN. Does any Member wish to be heard on the point of order?

Mr. ROYBAL. Mr. Chairman, I concede the point of order.

Mr. FRENZEL. Mr. Chairman, I have a point of order.

The CHAIRMAN. The Chair recognizes the gentleman from Minnesota on his point of order.

Mr. FRENZEL. Mr. Chairman, my point of order is that it is a violation of rule XXI, clause 2, legislating on an appropriations bill, which is a different point of order than the chairman makes. I think the section violates both of those rules, Mr. Chairman.

The CHAIRMAN (Mr. BEILENSEN). Does any Member wish to be heard on the point of order?

Mr. CONTE. Mr. Chairman, we concede the point of order.

The CHAIRMAN. The gentlemen from California and Massachusetts concede the point of order of the gentleman from Illinois, and the Chair, therefore, only rules in favor of the point of order as proposed by the gentleman from Illinois. The section is therefore stricken.

The Chair recognizes the gentleman from Pennsylvania [Mr. WALKER] and thanks him for being so patient.

AMENDMENTS OFFERED BY MR. WALKER

Mr. WALKER. Mr. chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. WALKER: In title I, on Page 2, Line 17, strike "\$55,642,000" and insert in lieu thereof "\$52,642,000".

Mr. WALKER (during the reading). Mr. Chairman, I ask unanimous consent that the amendment be considered as read and printed in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

Mr. WALKER. Mr. Chairman, I ask unanimous consent that the two amendments that I have at the desk be considered en bloc.

The CHAIRMAN. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

Mr. WALKER. Mr. Chairman, furthermore, I ask unanimous consent that the time on this amendment be limited to 10 minutes to be equally divided between myself and the gentleman from California [Mr. ROYBAL].

The CHAIRMAN. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

The CHAIRMAN. Is there objection to waiving the reading of the second amendment of the gentleman from Pennsylvania?

There was no objection.

The amendment reads as follows:

Amendment offered by Mr. WALKER: In Title I, On Page 5, Line 16, strike "\$793,000,000" and insert in lieu thereof "\$796,000,000".

Mr. WALKER. Mr. Chairman, this is the amendment that I described in the general debate and I do not need to go into it in great detail. It takes \$3 million out of the Office of the Secretary and places it over into the Customs Service.

The idea here is to create 60 additional positions within the Customs Service that can be used for drug interdiction. The plan that we have for increasing drug interdiction in the Customs Service over fiscal year 1986 levels is about a \$334 million plan. This is a very, very modest attempt to attempt to implement a little bit of that plan. It would be about a 1-percent increment and would come of, essentially, bureaucracy.

So the choice that I have offered the House here is a choice between additional bureaucracy and additional Customs agents for drug interdiction.

I would hope that the House would see fit to approve an enhancement of drug enforcement versus the additional amount of money in the Office of the Secretary.

Let me point out that the committee has given the Office of the Secretary about \$4.6 million more. I am lowering the amount of increase over fiscal year 1986. The Secretary's office will still get an additional \$1.6 million over what they had this year, even under my amendment. So I would hope that the House will see fit to try to improve drug enforcement a little more than the committee has done.

The committee has done a fine job; this enhances it a little bit more.

Mr. HUNTER. Mr. Chairman, will the gentleman yield?

Mr. WALKER. I yield to the gentleman from California.

Mr. HUNTER. I thank the gentleman for yielding.

Mr. Chairman, I think the amendment of the gentleman from Pennsylvania is meritorious and it simply reflects the fact that we are going to have to move more people from the front offices to the front lines. The front lines in this country right now, in the narcotics war, are the borders of

this Nation. We are having an enormously great problem in trying to interdict aircraft from coming in, vessels, people, and vehicles.

□ 1335

If we can have more agents on the line, that is going to save the Nation a great deal of money in pursuit and prosecution and imprisonment of the people once they get inside the interior of the country.

Mr. Chairman, I think this is a very important amendment.

Mr. WALKER. Mr. Chairman, I thank the gentleman from California [Mr. HUNTER] very much, and I reserve the balance of my time.

Mr. ROYBAL. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, I think the Members of the House should know the position the committee has taken with regard to this appropriation. The committee appropriated \$4.6 million more than the appropriation in 1986 but \$2 million less than the budget estimate for 1987.

The Department of the Treasury does in fact oppose this amendment. I approach this amendment with mixed feelings. I, of course, support the idea of making more money available and more staff available for the interdiction of narcotics.

On the other hand, I do not want to cripple the operation of an already existing organization that has in fact received an appropriation that is \$2 million less than the budgetary request.

This is going to be a difficult situation for any particular Member of the House to decide. The proposed transfer of \$3 million would represent less than four-tenths of 1 percent of what the Appropriations Committee has already provided for the U.S. Customs Service, and according to the Department of the Treasury, that would have little impact on its drug interdiction. It would be disastrous, they say, to the Office of the Secretary's appropriations from which funds would be transferred since it would represent a reduction of over 5 percent. The proposed 5-percent reduction would seriously impair the Secretary of the Treasury in carrying out his responsibilities and the oversight capabilities of the Department.

I appreciate what the gentleman is trying to do, but I think the \$112 million that the committee has already appropriated is about all that Customs can accommodate at this time. These funds will retain 1,457 positions that the administration wanted to cut and then provide an additional 850 positions for fiscal year 1987.

I am sure that the gentleman understands that the Secretary of the Treasury must have adequate staff to support and carry on his functions. It would be a serious mistake, I believe,

to reduce the funds available for leadership within the Department of the Treasury, which, of course, also includes the Customs Service. It is essential to have overall leadership. We must have policy formulation and coordination at the top Treasury Department level, and I am afraid the gentleman's amendment would reduce that capability.

Mr. Chairman, I have certain feelings in favor of the amendment, but then looking at this amendment very carefully, I believe that the gentleman's amendment would hurt more than help the fight against the smuggling of illegal drugs into this country.

Mr. Chairman, very reluctantly, I must say that I hope the gentleman does withdraw his amendment, but if he does not withdraw the amendment, I hope that we will be able to defeat the amendment at this time.

The CHAIRMAN. The time of the gentleman from California [Mr. ROYBAL] has expired.

The Chair will advise the gentleman from Pennsylvania [Mr. WALKER] that he has 3 minutes available if he wishes to use the time.

Mr. WALKER. Mr. Chairman, I yield myself 1 minute.

Mr. Chairman, I would simply point out that the numbers of people that can be hired as a result of the approval of this amendment, modest as it is, would be a sufficient number of people to include the upgrade for the United States-Bahamas Drug Interdiction Task Force. They request \$3 million to do the upgrade as contemplated in the bipartisan approach. It seems to me that that is an important thing that could be done for the amount of money that is involved. There is a number of other things also that could be done, but that precise amount is what is needed for that particular goal that we want to reach.

So, Mr. Chairman, I urge the House to take a little bit of money out of bureaucracy and put it in drug interdiction.

Mr. CONTE. Mr. Chairman, I rise in opposition to the Walker amendment.

The committee has added over \$112 million to the President's request for the U.S. Customs Service. It's a significant amount which they will have difficulty in spending during 1 fiscal year. The OMB policy statement on this bill objects to the committee's increase funding for Customs, claiming that Customs just can't effectively spend these additional funds.

I have also received a letter from Mr. John Rogers, Assistant Secretary of the Treasury. He strongly opposes the cut and maintains that "it would have little impact on drug interdiction."

I agree with him, and I urge my colleagues to reject the amendment.

The letter follows:

DEPARTMENT OF THE TREASURY,
Washington, DC, August 1, 1986.

Hon. SILVIO CONTE,
Ranking Minority Member,
Committee on Appropriations,
Washington, DC.

DEAR MR. CONTE: It is my understanding that an amendment to the Treasury, Postal Service, and General Government Appropriations Bill may be offered that would transfer \$3 million from the Office of the Secretary appropriation to the U.S. Customs Service for drug interdiction efforts.

Although the Administration and the Department are seriously committed to stopping the flow of drugs into the nation, we are strongly opposed to a transfer of resources. The bill that has been reported by the Appropriations Committee already includes an additional \$112.5 million to the Administration's request for the U.S. Customs Service. The Appropriations Committee's action will provide the U.S. Customs Service an additional 15 percent increase in resources over and above the Administration's request. The majority of these resources would be used to enhance the Service's drug interdiction efforts.

The proposed transfer of \$3 million would represent less than four tenths of one percent of what the Appropriations Committee has already provided to the U.S. Customs Service and would have little impact on its drug interdiction. However, it would be disastrous to the Office of the Secretary appropriation from which the funding would be transferred, since it would represent a reduction of over five percent. The proposed five percent reduction would seriously impair the Secretary of the Treasury in carrying out his responsibilities and oversight of the Department.

I would appreciate your support in ensuring that such an amendment is not enacted. Thank you for your assistance.

Sincerely,

JOHN F. W. ROGERS,
Assistant Secretary
of the Treasury (Management).

The CHAIRMAN. The Chair wishes to advise the gentleman from California [Mr. ROYBAL] that the Chair was in error, and the gentleman does have 2 minutes remaining if the gentleman wishes to use that time or to yield that time. And the gentleman from California, if he wishes, has the right to close.

Mr. ROYBAL. Mr. Chairman, I do not wish to continue the dialog. Shall we proceed? I yield back the balance of my time.

Mr. WALKER. Mr. Chairman, I yield back the balance of my time.

The CHAIRMAN. The question is on the amendments offered by the gentleman from Pennsylvania [Mr. WALKER].

The question was taken; and the Chairman announced that the noes appeared to have it.

RECORDED VOTE

Mr. WALKER. Mr. Chairman, I demand a recorded vote.

A recorded vote was ordered.

The vote was taken by electronic device, and there were—ayes 254, noes 109, answered not voting 68, as follows:

[Roll No. 280]

AYES—254

Ackerman	Gray (IL)	Packard
Anderson	Gregg	Pashayan
Andrews	Guarini	Pease
Anthony	Gunderson	Penny
Applegate	Hall (OH)	Petri
Archer	Hall, Ralph	Porter
Armey	Hamilton	Price
Aspin	Hefner	Pursell
AuCoin	Hendon	Rahall
Barnard	Henry	Ray
Bartlett	Hertel	Regula
Barton	Hopkins	Reid
Bateman	Hubbard	Richardson
Bates	Huckaby	Ridge
Bennett	Hughes	Rinaldo
Bentley	Hunter	Ritter
Bereuter	Hutto	Roberts
Billakis	Ireland	Robinson
Billey	Jacobs	Roe
Borski	Jeffords	Roemer
Boulter	Jenkins	Rose
Brooks	Johnson	Roth
Broomfield	Jones (OK)	Roukema
Brown (CO)	Jones (TN)	Rowland (CT)
Bruce	Kanjorski	Rowland (GA)
Burton (IN)	Kaptur	Russo
Bustamante	Kasich	Saxton
Byron	Kennelly	Schaefer
Callahan	Kildee	Scheuer
Carper	Kindness	Schneider
Chandler	Klecza	Schuetz
Chapman	Kolbe	Schulze
Chappie	Kostmayer	Seiberling
Cheney	Kramer	Sensenbrenner
Cobey	LaFalce	Sharp
Coble	Latta	Shaw
Coleman (MO)	Leach (IA)	Shumway
Coleman (TX)	Lehman (CA)	Shuster
Combest	Lent	Sikorski
Coughlin	Levin (MI)	Siljander
Courter	Levine (CA)	Slatery
Craig	Lewis (CA)	Slaughter
Crane	Lewis (FL)	Smith (FL)
Daniel	Lightfoot	Smith (NE)
Dannemeyer	Lipinski	Smith (NJ)
Darden	Loeffler	Smith, Robert
Daschle	Lott	(NH)
Daub	Lowry (WA)	Snowe
DeLay	Lujan	Solomon
Derrick	Luken	Spence
DeWine	Lungren	Spratt
Dicks	Mack	St Germain
DioGuardi	MacKay	Staggers
Donnelly	Madigan	Stallings
Dorgan (ND)	Manton	Stenholm
Dornan (CA)	Marlenee	Stump
Downey	Martin (IL)	Sundquist
Dreier	Mavroules	Sweeney
Durbin	McCain	Swift
Dwyer	McCandless	Swindall
Dyson	McCloskey	Tauzin
Eckart (OH)	McCollum	Taylor
Edwards (OK)	McCurdy	Thomas (GA)
Emerson	McEwen	Torricelli
Erdreich	McGrath	Traficant
Evans (IA)	McKernan	Traxler
Fascell	McMillan	Valentine
Fawell	Meyers	Vander Jagt
Feighan	Michel	Visclosky
Fiedler	Miller (OH)	Vucanovich
Fields	Miller (WA)	Walgren
Florio	Moakley	Walker
Foglietta	Molinari	Watkins
Frank	Mollohan	Weaver
Franklin	Monson	Weber
Fuqua	Montgomery	Weiss
Gallo	Moorhead	Whittaker
Garcia	Neal	Wilson
Gekas	Nelson	Wise
Gephardt	Nielson	Wolpe
Gilman	Nowak	Wortley
Gingrich	Olin	Wright
Glickman	Ortiz	Wyden
Goodling	Owens	Yatron
Gradison	Oxley	Young (FL)

NOES—109

Akaka	Boggs	Carr
Alexander	Bonker	Clinger
Atkins	Bosco	Coats
Bellenson	Brown (CA)	Collins
Boehlert	Burton (CA)	Conte

Coyne	Lagamarsino	Rogers
Crockett	Lehman (FL)	Rostenkowski
Davis	Leland	Roybal
Dellums	Long	Sabo
Dickinson	Lowery (CA)	Savage
Dixon	Martinez	Schumer
Duncan	Matsui	Sisisky
Dymally	Mazzoli	Skeen
Eckert (NY)	McDade	Smith (IA)
Edwards (CA)	McHugh	Snyder
Evans (IL)	McKinney	Solarz
Fish	Miller (CA)	Stangeland
Flippo	Mineta	Stark
Foley	Mitchell	Stokes
Ford (MI)	Moody	Stratton
Frenzel	Morrison (CT)	Studds
Gaydos	Mrazek	Synar
Gibbons	Murphy	Tauke
Gonzalez	Murtha	Thomas (CA)
Green	Myers	Torres
Hammerschmidt	Natcher	Udall
Hatcher	Nichols	Vento
Hawkins	Oakar	Waldon
Hayes	Oberstar	Waxman
Hiller	Obey	Wheat
Holt	Panetta	Whitten
Howard	Parris	Wolf
Hoyer	Pepper	Yates
Hyde	Perkins	Young (AK)
Jones (NC)	Pickle	Young (MO)
Kastenmeier	Rangel	
Kolter	Rodino	

NOT VOTING—68

Annunzio	Early	Mikulski
Badham	Edgar	Moore
Barnes	English	Morrison (WA)
Bedell	Fazio	Quillen
Berman	Ford (TN)	Rudd
Bevill	Fowler	Schroeder
Blaggi	Frost	Shelby
Boland	Gejdenson	Skelton
Boner (TN)	Gordon	Smith, Denny
Bonior (MI)	Gray (PA)	(OR)
Boucher	Grotberg	Smith, Robert
Boxer	Hansen	(OR)
Breaux	Hartnett	Strang
Bryant	Hillis	Tallon
Campbell	Horton	Towns
Carney	Kemp	Volkmer
Chappell	Lantos	Whitehurst
Clay	Leath (TX)	Whitley
Coelho	Livingston	Williams
Conyers	Lloyd	Wirth
Cooper	Lundine	Wylie
de la Garza	Markey	Zschau
Dingell	Martin (NY)	
Dowdy	Mica	

□ 1345

Messrs. **STUDDS**, **WHEAT**, **BONKER**, **TAUKE**, **SCHUMER**, and **LOWERY** of California changed their votes from "aye" to "no."

Messrs. **SWIFT**, **STAGGERS**, and **FASCELL**, Mrs. **KENNELLY**, and Messrs. **OWENS**, **LEVIN** of Michigan, **KILDEE**, **ROSE**, **DERRICK**, **CHAPMAN**, **GARCIA**, and **ORTIZ** changed their votes from "no" to "aye."

So the amendments were agreed to.
The result of the vote was announced as above recorded.

□ 1400

Mr. **ROYBAL**. Mr. Chairman, I move to strike the last word.

Mr. Chairman, I have been asked by the leadership to move to rise for the afternoon so that all Members may fulfill their travel commitments. It is anticipated that sometime next week we will return to this bill and conclude debate on the amendments.

Mr. Chairman, I ask unanimous consent that further debate on the bill and all amendments thereto be limited to 2 additional hours.

The **CHAIRMAN**. Is there objection to the request of the gentleman from California?

PARLIAMENTARY INQUIRY

Mr. **MORRISON** of Connecticut. Mr. Chairman, reserving the right to object, I have a parliamentary inquiry.

The **CHAIRMAN**. The gentleman will state it.

Mr. **MORRISON** of Connecticut. Mr. Chairman, my inquiry is referring to an amendment that is printed in today's **RECORD**, whether or not, since it was filed prior to the time of this unanimous-consent request, if the request is granted, it will be protected under the 5-and-5-minute rule.

The **CHAIRMAN**. The answer is yes, such an amendment will be protected.

Mr. **MORRISON** of Connecticut. Mr. Chairman, I withdraw my reservation of objection.

Mr. **FRENZEL**. Mr. Chairman, reserving the right to object, Mr. Chairman, I merely want to repeat the question of the gentleman from Connecticut [Mr. **MORRISON**]. Amendments printed in today's **RECORD**, notwithstanding the request made by the distinguished subcommittee chairman, will have 5 minutes allowed for debate in favor, and 5 minutes against?

The **CHAIRMAN**. That is again correct.

Mr. **FRENZEL**. Mr. Chairman, I withdraw my reservation of objection.

The **CHAIRMAN**. Is there objection to the request of the gentleman from California?

There was no objection.

Mr. **ROYBAL**. Mr. Chairman, I move that the Committee do now rise. The motion was agreed to.

Accordingly, the Committee rose; and the Speaker pro tempore (Mr. **GRAY** of Illinois) having assumed the chair, Mr. **BEILENSEN**, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee, having had under consideration the bill (H.R. 5294) making appropriations for the Treasury Department the U.S. Postal Service, the Executive Office of the President, and certain independent agencies, for the fiscal year ending September 30, 1987, and for other purposes, had come to no resolution thereon.

LEGISLATIVE PROGRAM

(Mr. **LOTT** asked and was given permission to address the House for 1 minute.)

Mr. **LOTT**. Mr. Speaker, I have requested this time for the purpose of receiving the legislative schedule.

Mr. **FOLEY**. Mr. Speaker, will the gentleman yield?

Mr. **LOTT**. I am happy to yield to the gentleman from Mississippi [Mr. **LOTT**], the distinguished majority whip, for the purpose of providing the membership information with regard

to whether we are going to have any more votes today, and the schedule for next week.

Mr. **FOLEY**. I thank the gentleman for yielding.

Mr. Speaker, this concludes the schedule for today and for this week, and the House will move to special orders immediately following whatever unanimous-consent requests may be made.

Mr. Speaker, the House will adjourn to meet at noon on Monday next.

On Monday we will take up the following suspensions:

H.R. 5299, Veterans Compensation Amendments of 1986;

H.R. 4333, USC, title 38, amendments to improve veterans benefits for former POW's;

H.R. 4623, Veterans Health Care Amendments of 1986;

H.R. 5047, to eliminate gender-based language distinctions in USC, title 38;

H.R. 4825, to provide direct access to certain health facilities under Federal employee health benefit programs;

S. 140, Children's Justice Act;

H.R. 5242, Agricultural Export Act of 1986; and

H.R. 5288, emergency assistance for drought relief.

Also we will begin general debate and conclude it on the Defense Department Authorization Act for fiscal year 1987. The rule has been adopted.

On Tuesday the House will meet at noon. We will consider the Private Calendar. We may consider suspensions that I have announced which have not been concluded on Monday, but there will be no votes on Tuesday on suspensions that are debated on Monday or Tuesday. Those votes will be taken on Wednesday.

On Tuesday we will consider the Department of Defense amendments, beginning with those relating to military reorganization, under which the rule provides for a maximum of 2 hours of debate. We will then consider the military procurement amendments, for which there is a 3-hour limitation on debate.

For the guidance of Members, Tuesday will probably be a very late session. In my previous announcement, I suggested that it might go as late as midnight. We hope that it will not go that late, but Members should be prepared for the possibility of a session very late in the evening.

On Wednesday, the 6th of August, we will meet at 10 a.m. and consider the veto override vote on H.R. 1562, the Textile and Apparel Trade Enforcement Act of 1985. Following that we will return to H.R. 5294, the Treasury-Postal appropriations for fiscal year 1987, and then continue consideration of H.R. 4428, the Defense Department authorizations.

Again, the order in which we will consider amendments to the Depart-

ment of Defense authorizations on Wednesday and following days has not yet been determined, and will be determined by a rule which will be adopted next week on Tuesday or Wednesday.

Mr. LOTT. I thank the gentleman for that information. I would like to clarify or emphasize just a few points.

First, Members should expect recorded votes on Tuesday afternoon, probably, though, late in the afternoon; is that correct?

Mr. FOLEY. That is correct. It was an assumption made earlier that there would probably be only one or maybe no votes on military reorganization. I am told that now there will be amendments offered to the military reorganization amendment which is being considered first and is under a 2-hour time limitation, so we could have some amendments on that subject earlier in the afternoon than we previously anticipated. I assume that there will be no votes on the procurement issues until late in the afternoon.

Mr. LOTT. But there will be votes on Tuesday, and we will likely go late Tuesday night?

Mr. FOLEY. Yes, as I have said, we could go as late as midnight. I hope that it is not that late.

Mr. LOTT. With further regard to Tuesday, does the gentleman anticipate the normal procedure of having 1-minute taken up before we proceed to the regular business of the day?

Mr. FOLEY. Yes, we assume that there will be 1-minute on Tuesday. I believe that we are planning to suggest that we forgo those on Wednesday, but that will be announced later.

Mr. LOTT. And Wednesday will be the day that we will have the votes on suspensions. They will be deferred from Monday, and we will vote on them on Wednesday. Maybe I missed it, but at what point? Will it be when we first go into business?

Mr. FOLEY. I believe that we are planning to take up the votes on any suspensions ordered as the first order of business on Wednesday, followed by the textile override, followed by the Post Office and Civil Service appropriation, followed by DOD.

Mr. LOTT. All right. Also, I notice that the reconciliation legislation is not included here in your agenda, although the Committee on the Budget has reached agreement, for the most part, and they are scheduled at this time to come before the Committee on Rules probably next Tuesday.

Hoping that we would have action as quickly as possible in the House so that the Senate also could act, and so there could be a conference, and so we could get this all done before August 15, so that the reconciliation package will be counted when the so-called "snapshot" is taken, I was just assuming that we were going to take up reconciliation next week, maybe Wednesday or Thursday or at some point.

When are we going to have reconciliation?

Mr. FOLEY. Not before Wednesday, certainly. We do share the gentleman's concern and the concern of the minority that we consider reconciliation as soon as possible. Diligent efforts are under way, as the gentleman noted, to bring this to the floor. There is unanimity of view that this should be considered as promptly as possible.

□ 1410

Mr. LOTT. Mr. Speaker, let me clarify that one point. Are you saying that it still could come up next week, even though it is not on the list here?

Mr. FOLEY. Yes. As all announcements of this kind are made with the reservation that conference reports may be brought up at any time and a further program may be announced later. It may be that we will.

Mr. LOTT. We can expect changes at any point and at any time, depending on what is needed at that particular moment?

Mr. FOLEY. It is possible, in conjunction with what is in the interest of the Congress and of the House.

Mr. STRATTON. Mr. Speaker, will the gentleman yield?

Mr. LOTT. I yield to the gentleman from New York.

Mr. STRATTON. I just wanted to commend the gentleman from Washington for pointing out that in between the postal bill, the textile bill, and two or three other bills, we are actually going to consider part of the defense bill.

Mr. FOLEY. I will tell the gentleman, who is one of our leading experts in the Congress, that his long history of support for the Department of Defense and for our national security is always reflected in the deliberations of the House in these matters and will be again this year.

Mr. LOTT. That is very good, I say to the gentleman from Washington [Mr. FOLEY].

Mr. FRENZEL. Mr. Speaker, will the gentleman yield?

Mr. LOTT. I yield to the gentleman from Minnesota.

Mr. FRENZEL. Mr. Speaker, I thank the gentleman for yielding. I notice on the schedule this week that we had quite a few differences with the prospective schedule articulated by the distinguished majority whip last week at this time when we reviewed the schedule. Can the gentleman give us any assurances that we are actually going to do what he says or are we going to have another week like this one? I particularly refer to reconciliation. It is an important bill. It is a lot of money. We would like to have some idea of how to prepare for it, and I think the schedule last week was probably a disappointment to the gentleman. It certainly was to me. Can we

not do a better job of managing the program of the House?

Mr. FOLEY. Mr. Speaker, will the gentleman yield?

Mr. LOTT. I yield to the gentleman from Washington.

Mr. FOLEY. Mr. Speaker, as the gentleman knows, sometimes matters are not only enormously important, as we all agree, but somewhat difficult to bring to the floor as quickly and in as orderly a manner as we would wish. It is unusual, for example, to have more than one rule on the Department of Defense authorization bill, but because the bill is complicated, and because it would, under normal circumstances, probably take as long as 3 weeks, we are attempting to cooperate with the minority in reaching an agreed procedure by which we can expedite the bill before the House.

I will assure the gentleman that we share his concern and the concern of the gentleman from Mississippi that we reach the reconciliation bill as soon as possible. And with that concern in mind, we are going to bring this bill to the floor as soon as possible. We understand the need to bring it to conference and to conclude it before the 15th of August. I can only give the gentleman that assurance, and we share his overall objectives and desires.

Mr. LOTT. I believe the gentleman indicated that we would be in session next Friday and will have votes, and Members need to be on notice that we will not have a change in this on Thursday night and we will, we can expect to be in on Friday and have recorded votes?

Mr. FOLEY. Let me make it as clear as I can to the gentleman and to the House. We are planning, planning a Friday session next week. It will be on the Department of Defense appropriation bill. There will be votes, and no Member should assume that this will change, or that there will be an alteration in the schedule which will lead to an adjournment of the House on Thursday evening.

We will meet on Friday and there will be votes on Friday, and it will be on the Department of Defense.

We do plan to conclude the business of Friday by 3 o'clock.

Mr. LUNGREN. Mr. Speaker, will the gentleman yield?

Mr. LOTT. I yield to the gentleman from California.

Mr. LUNGREN. Mr. Speaker, I would just ask the distinguished acting majority leader as to whether or not the list that we have of the Suspension Calendar is complete? The reason I ask is that on the Judiciary Committee, after many months, we have passed out a designer drug bill and a money laundering bill, both specifically dealing with the major problem of drugs that we know we have a

bipartisan effort on. There were some of us on the committee that had hopes that that would appear on the Suspension Calendar next week.

Can the distinguished whip tell us whether there is a possibility that that may take place?

Mr. FOLEY. Mr. Speaker, will the gentleman yield?

Mr. LOTT. I yield to the gentleman from Washington.

Mr. FOLEY. Mr. Speaker, I am advised that we plan to program that important legislation before the 15th of August and it could be announced later. But I doubt that it will be on the Suspension Calendar next week. We will plan to consider it before the 15th of August.

Mr. LUNGREN. If the gentleman will yield further, I appreciate the gentleman's comments. I am somewhat disappointed, because I think there was a bipartisan feeling on the full committee that this was noncontroversial, that we could get it on the floor without amendment, and that we could, in fact, meet it up with companion legislation in the other body and have that out there waiting for any date.

Mr. FOLEY. As the gentleman may know, and I am not going to violate the rules by discussing activities in the other body, but the other body has not completely resolved its position on this subject. What I am telling the gentleman is that we will program this legislation within the next week or the week after, and that is a very expedited consideration considering the report of the bill. We are attempting to proceed on a bipartisan program, and we will get it done as soon as possible.

Mr. LUNGREN. I thank the gentleman.

ANNOUNCEMENT BY THE SPEAKER PRO TEMPORE

The SPEAKER pro tempore (Mr. GRAY of Illinois). The Chair would like to announce that since 1-minute speeches were preempted this morning, the Chair will entertain 1-minutes this afternoon as soon as we hear from the acting majority leader.

ADJOURNMENT TO MONDAY, AUGUST 4, 1986

Mr. FOLEY. Mr. Speaker, I ask unanimous consent that when the House adjourns today it adjourns to meet at noon on Monday next.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Washington?

There was no objection.

DISPENSING WITH CALENDAR WEDNESDAY BUSINESS ON WEDNESDAY NEXT

Mr. FOLEY. Mr. Speaker, I ask unanimous consent that the business in order under the Calendar Wednesday rule shall be dispensed with on Wednesday next.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Washington?

There was no objection.

REMOVAL OF NAME OF MEMBER AS COSPONSOR OF H.R. 4300

Mr. HUGHES. Mr. Speaker, I ask unanimous consent to have my name withdrawn as a cosponsor of H.R. 4300, the Parental Medical Leave Act of 1986.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from New Jersey?

There was no objection.

COMMUNICATION FROM THE HONORABLE ROBERT S. WALKER, MEMBER OF CON- GRESS

The SPEAKER pro tempore laid before the House the following communication from the Honorable ROBERT S. WALKER:

HOUSE OF REPRESENTATIVES,
Washington, DC, July 31, 1986.

Hon. THOMAS P. O'NEILL,
The Speaker, House of Representatives,
Washington, DC.

DEAR MR. SPEAKER: This is to notify you, pursuant to Rule L(50) of the Rules of the House of Representatives, that Marc Phillips of my district office staff has been served with a subpoena issued by the District Court of the County of Lancaster. After consultation with the General Counsel to the Clerk, I will inform you of my determination as required by House Rule.

Cordially,

ROBERT S. WALKER.

□ 1420

A LEGISLATIVE PACKAGE TO DEAL WITH THE DRUG CRISIS

(Mr. RANGEL asked and was given permission to address the House for 1 minute, and to revise and extend his remarks.)

Mr. RANGEL. Mr. Speaker, I take this opportunity to share with you the progress that is being made by Republicans and Democrats as a result of our leadership coming together to put together a package to deal with the terrible crisis of drugs which is affecting our Nation, our family, and our children.

This morning the majority leader of the House, JIM WRIGHT, coupled with BEN GILMAN and several Members of the Congress including BILL HUGHES of New Jersey and DAN DANIELS met with the press to let you know the progress

that is being made by the legislative committees.

I take this 1 minute because the press was concerned about the amounts of moneys that we may have to expend to have a package that is really going to do the job. I know the concern by Members on both sides of the aisle, but I take this minute to ask you to really consider the fact that we are dealing with a \$200 billion industry, and it is going to take some tools and some weapons in order to challenge this great menace; and I hope that you will review within your own committee what restrictions you can place as far as the cost of the budget, but to acknowledge the fact that if we are going to do a job that we should not want to look like politicians or those that are just doing a cosmetic job, but to give the President a package which he can support.

I am thoroughly convinced that if Members of the House; liberal and conservative, Democrats and Republicans, work hard at this not to achieve headlines but to do a job in which the American people can be proud, that we can come up with those types of caps on those figures that we can agree to in the House and in the Senate, and give the President an offer he cannot refuse.

COMPETITIVE CURRENCY DEVALUATIONS

(Mr. DANNEMEYER asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. DANNEMEYER. Mr. Speaker, our Government started this Nation downward on the slippery slope of managed currency debasement in 1933. Robert Lincoln O'Brien, the Chairman of the Tariff Commission at the time, thoroughly exposed the fallacy that a weaker currency can make for a stronger trade posture. He told the House Committee on Ways and Means:

The advantages of currency debasement are partly illusory and partly temporary. Those that are not illusory, are temporary; and those that are not temporary, are illusory.

The policy of deliberate currency debasement was a fiasco: It did not produce the exports hoped for, but it led to competitive devaluations and trade war. The gold content of the dollar was stabilized on January 31, 1934, in recognition of the fact that there are no winners in a beggar-thy-neighbor contest, only losers. There can be no doubt that the present bout of competitive devaluations sweeping through the globe will also be followed by stabilization, when the world's trading nations sober up.

The question is how much more damage the policymakers at the Treas-

ury and on the Federal Reserve Board will inflict on the world economy before they concede defeat.

NEED FOR ACTION ON TRADE REFORM

(Mr. GUARINI asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. GUARINI. Mr. Speaker, we are no longer approaching a crisis situation; it is here. Economic growth has slowed to 1 percent and the latest statistics show a \$168 billion trade deficit in 1986. Our economy and our industries are severely threatened.

This picture will not change on its own. The dollar has declined more than 30 percent; yet in June, our manufacturing trade deficit posted a record high of \$13 billion. A weaker dollar alone will not shrink this growing menace.

There is no growth in U.S. exports. Our trading partners are not buying our goods. We continue to lose millions of jobs abroad.

With only 30 working days till adjournment, we must find time for trade reform. The House of Representatives passed a strong trade bill to restore American competitiveness and jobs, increase capital investment, open foreign markets and promote exports. I urge the Senate to quickly do the same and put our economy back on a sound footing.

FATHER JENCO RETURNS HOME

(Mr. DORNAN of California asked and was given permission to address the House for 1 minute, and to revise and extend his remarks.)

Mr. DORNAN of California. Mr. Speaker, I have just returned from Andrews Air Force Base, together with Senator Dixon of the other body, to welcome back to the United States Father Jenco, one of our hostages in captivity in Beirut, Lebanon, since January 8 of last year; over 550 days.

Father Jenco looks tired but very, very happy to be home. I am going to a reception at the Catholic Relief Services office here in Washington, DC. You will recall, Mr. Speaker, he was head of Catholic Relief in Beirut, Lebanon, for that area of the world when he was taken prisoner.

I am going to return to Father Jenco an historical letter. He has not seen this, although I told him I had it at planeside this morning; this is a letter that he wrote to Congressman George O'Brien and to myself from his dungeon where this priest was chained to a wall, and it was signed by Father Jenco and three other Americans who are still prisoners held in captivity in some dungeon in the Bekaa Valley or Beirut, Lebanon.

I hope to get together with Father Marty as soon as he has gotten his health back, and with Benjamin Weir, who was released last September, and find out what we can do in this Congress to put the pressure on the right places; both strong pressure and maybe some expressions of gratitude to people we otherwise would not want to do it to, to get them to return our other Americans.

Mr. Speaker, I just found out that this group held six of our seven hostages; they have killed one, released two, and still hold three; that they were given four people off TWA flight 847, those with Jewish surnames—were delivered to these people who hold these three Americans. That for one ugly period of a fortnight, they held 10 Americans. That the Speaker of the House of Iran came to Damascus and at least made them give back the four. Why not the whole 10?

They gave back the four passengers off TWA flight 847 to rejoin with the other 28 members and they were driven over to Damascus.

I demand that the same people that negotiated those four back, from Tehran and in Damascus, get back the remaining three Americans that still suffer in this captivity.

MULTI-FIBER AGREEMENT OF TEXTILES AND GARMENTS

(Mr. GIBBONS asked and was given permission to address the House for 1 minute, and to revise and extend his remarks.)

Mr. GIBBONS. Mr. Speaker, today in Geneva a historic event occurred. The many, many nations around the world who are parties to the multi-fiber arrangement on textiles and garments reached an agreement, an agreement of enormous proportion that required years of negotiation and almost endless negotiation this week.

□ 1430

This agreement bears heavily upon the vote that we are going to take on Wednesday to override the veto of the President. I hope if any Member of this House wants to override the veto of the President, that the Member of the House will avail himself of the progress that was made in this sensitive area in this agreement that has just been reached today because in my opinion the agreement that has been reached today and will be the future agreement on textiles and garments unless the President's veto is overridden, is far superior to the kind of action we would get out of overriding the President's veto.

Mr. Speaker, I can think of nothing worse right now for the economy of the United States or for the economy of the world than to override the President's veto on this tariff bill. There is no doubt that chaos would

reign supreme around the world, that retaliation would begin in earnest against many of our export markets, that we would lose jobs rather than gain jobs and that we would delay the inevitable in the textile industry and the garment industry, which is the restructuring that is now going on.

As I say, if there is any doubt in any Member's mind about voting to override, they should avail themselves of all the facts and all the figures that come out of today's agreement.

SUCCESSFUL MFA EXTENSION NEGOTIATED

(Mr. FRENZEL asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. FRENZEL. Mr. Chairman, I want to concur with the statement of the distinguished gentleman from Florida who just preceded me in the well. Just this afternoon the administration has announced the signing of the new MFA agreement. When Congressman JENKINS, who is the chief sponsor of the bill vetoed by the President, selected the date of August 6 for the shootout on the veto override, he did so because that was the due date for the MFA agreement, and he suggested that if the agreement was concluded satisfactorily that there may not be a need for a veto override.

I suggest that there is no need. We have successfully concluded the negotiations for the toughest textile agreement in the history of the world. It is, in my judgment, overly generous to the American textile industry. There is no need any longer to vote for the override of the President's veto.

WE HAVE TO GIVE AWAY EVERYTHING AND BACK OFF FROM TOUGH POSITION IN ORDER TO GET A MULTIFIBER AGREEMENT

(Mr. GINGRICH asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. GINGRICH. I would just say to my two good friends that the message we have gotten back from the textile representatives who were in Geneva is remarkably different. We were told, for example, that for the last 36 hours before the signing, no American textile representatives were allowed to talk to the negotiators. In fact, they were learning what was going on from the Europeans who were meeting regularly with their governments and then telling the Americans what the American Government was giving away.

In addition, I have been told a few minutes ago by Mr. JENKINS it is his understanding that there are no provi-

sions for punishing fraud by foreign importers. I have been told by Mr. JENKINS that it is his understanding that there are no provisions for stopping surges in imports. In fact, I think you will find that by the end of today the administration's public relations gesture will have fallen flat and it will be clear that once again our trade negotiators have given away the store in order desperately to get an agreement at the last possible minute, exactly as Mr. Lenahan predicted after he left the Commerce Department and went to work for foreign countries. Because he said in a Hong Kong speech that we would have to give away everything and back off from our tough position to get a multifiber agreement quickly.

I will be giving a special order in a few minutes, and I will be glad to share time with my distinguished colleagues. I think you will find that the industry does not agree with the interpretation of the administration on this agreement.

Thank you.

AVIATION TRUST FUND

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Kansas [Mr. GLICKMAN] is recognized for 5 minutes.

Mr. GLICKMAN. Mr. Speaker, the administration is playing a numbers game again. There is a balance of over \$7.8 billion in the aviation trust fund. It is available to make much needed improvements in our aviation infrastructure, but it is going unused. Evidently, the administration prefers to use these funds to make the overall budget look better. That is a perversion of the trust fund and the taxes which are being collected to maintain it. It also artificially makes the deficit look less problematic since those funds are dedicated to one purpose.

Today I am introducing a bill to suspend the collection of airport and airway excise taxes whenever the airport and airway trust fund balance exceeds \$1 billion. The bill requires the Secretary of Transportation to make a determination by each December 15 of the balance of the trust fund on December 31. If the fund balance exceeds \$1 billion, taxes will be suspended on aviation gasoline and fuel, tires, and tickets. The suspension would continue for the following calendar year when the next determination is made.

Those who use our airways have always been willing to cover the costs of the related infrastructure by having these taxes collected but they are understandably frustrated when they continue to pay for improvements that are not being made. The administration has time and time again ignored the need to commit the funds that are available to make improvements in areas vital to air safety. Instead, they feel compelled to let a huge trust fund sit idle while taxes continue to be collected. We do need to balance the budget, but the aviation trust fund is not the way to do it. It was not intended to be a slush fund for covering shortfalls in the budget. Using it to pad

their budget numbers is a misuse; it is also a slap at the flying public.

In a recently released report, the General Accounting Office projected that the trust fund would have some \$12 billion on hand by 1991. This means that some \$10 million is being collected every month from those who use aviation. But what can we say they are getting in return? Numerous airports are in need of improvement; there are not adequate means of disseminating hazardous weather information to pilots; and funds need to be expedited for modernizing our air traffic control system.

Especially when much of our domestic aviation industry is depressed, it does not make sense to keep collecting these taxes just to let the trust fund balance grow. I would rather see that \$10 million a month go to buying new airplanes and stimulating this key American industry.

In sum, this bill says the time has come to shoot straight with our aviation community. Either use the revenues for their intended purpose or stop collecting them until we do.

I urge my colleagues to join me in this effort so we can get this concept incorporated into the rewrite of the Airport and Airways Development Program next year.

OPERATION PUSH CELEBRATES 15TH ANNIVERSARY

The SPEAKER pro tempore. Under a previous order of the House, the gentlewoman from Illinois [Mrs. COLLINS] is recognized for 5 minutes.

Mrs. COLLINS. Mr. Speaker, beginning this weekend, August 3 to 6, in Chicago, Operation PUSH will celebrate its 15th anniversary. I wish to commend PUSH for the excellent and long standing contributions it has made to our Nation and society.

Founded in 1971 by Rev. Jesse L. Jackson, PUSH (People United to Serve Humanity) has remained dedicated in both word and deed to extolling the values of education, social responsibility and self-motivation. One of its most important goals has been to foster a stronger sense of community, hope and dignity among blacks and other minorities as well as the underrepresented in society. I am proud to say that they have met and surpassed this objective.

Although PUSH has served and will continue to serve as an important symbol for human rights both nationally and internationally, its contributions do not cease with the nourishment of the human spirit. Nor have its lofty ideals fallen on deaf ears. Significant and positive results have been made by "Push for Excellence", a program aimed at improving the Nation's public schools and championing academic excellence. More recently, the Economic Justice System, founded in 1981, has been responsible for achieving reciprocal trade agreements with major U.S. corporations like Coca-Cola, Seven-Up, and Burger King. These agreements and covenants have come about through negotiations and organized consumer boycotts. PUSH's efforts have successfully focused on narrowing the disparity of trade between mostly white dominated companies and black America, by educating cor-

porate administrators of the importance of black dollars to their continued success.

In Chicago, PUSH takes the lead in fighting against rules and regulations which will harm black and low-income consumers. Most recently, they have led the attack against higher mass transit fees, are actively engaged in a boycott of WBBM-TV (a CBS affiliate) for unfairly firing a black reporter and not hiring enough black writers and producers.

Through the leadership of Reverend Jackson, Dr. Hyclel Taylor, Rev. Willie Taplan Barrow and others, the black community has had a voice and a champion for its cause. Through their concerted efforts, PUSH has contributed much to all Americans who believe in equality, parity and justice.

Fifteen years of service to America is a milestone. It is for this reason that I pay tribute to this fine organization.

Let me close by sharing with my colleagues the PUSH philosophy.

OPERATION PUSH, INC.—PUSH INSTITUTE

PUSH PHILOSOPHY

We, the People United to Save Humanity, believe that humanity will be saved and served only when justice is done for all people. We believe that we must challenge the economic, political, and social forces that make us subservient to others; and that we must assume the power (of being) given us by the Power of God. We believe that our worth as humane people is expressed in our united efforts to secure justice for all persons. We, therefore, state our declaration of goals.

1. PUSH for a comprehensive economic plan for the development of Black and poor people. This plan will include status as underdeveloped enclaves entitled to consideration by the World bank and the International Monetary Fund.
2. PUSH for humane alternatives to the welfare system.
3. PUSH for the revival of the labor movement to protect organized workers and to organized unorganized workers.
4. PUSH for a survival Bill of Rights for all children up to the age 18 guaranteeing their food, clothing, shelter, medical care, education and employment.
5. PUSH for a survival Bill of Rights for the aging guaranteeing adequate food, clothing, shelter, medical care meaningful programs and employment.
6. PUSH for full political participation including the automatic voter registration as a right of citizenship.
7. PUSH to elect to local, state and federal offices persons committed to humane economic and social programs.
8. PUSH for humane conditions in prisons and sound rehabilitation programs.
9. PUSH for a Bill of Rights for veterans whose needs are ignored.
10. PUSH for adequate health care for all people based upon need.
11. PUSH for quality education regardless of race, religion or creed.
12. PUSH for economic and social relationships with the nations of Africa in order to build African/Afro-American unity.
13. PUSH for national unity among all organizations working for the humane economic, political and social development of people.
14. PUSH for a relevant theology geared to regenerating depressed and oppressed peoples.
15. PUSH for Black excellence.

We are dedicated to reaching our goals through the research, education, development and execution of direct action programs that provide for economic political and cultural independence.

UNFOLDING EVENTS REGARDING GRAMM-RUDMAN-HOLLINGS LEGISLATION

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Georgia [Mr. RAY] is recognized for 5 minutes.

Mr. RAY. Mr. Speaker, I want to take a few minutes to express my observations on the recent unfolding events regarding the Gramm-Rudman-Hollings legislation.

The Washington Post in an editorial of July 20 wrote, "Congress has been doing well in its tormenting struggles with the budget—better than much of Congress itself expected."

Despite predictions of failure and budget breakdown last spring, a budget resolution did emerge and as the Post said, it was "a very credible one."

Then the Supreme Court knocked the automatic enforcement provision out of the legislation that was forcing down the deficit. When this occurred, the stock market experienced the largest 1-day drop in its history, which reflected the concerns of the citizens.

On July 17, the House and the Senate ratified the 1986 cuts which the Court invalidated. The vote was with a huge majority.

I want to make the point that there is enough blame for us all to share in the legislative and administrative branches. It's not that we have failed to recognize the needs and wants of America and the world. In fact, we have been overly generous. It is to our blame that we have reached catastrophic levels in our society that we as a Nation must now focus on more seriously than at any other time in our history.

To name a few: The huge Federal deficit; the problems of the economic plight of agriculture; the climbing trade deficit; our unwelcome status as the largest debtor nation; the all time high Federal deficit; America's inability to compete internationally; below average standards for our educational systems; and a weakened national foundation which must support our future prosperity.

It's imperative that all segments of society look beyond its own interest areas and make the necessary efforts and sacrifices to focus on the big picture.

Mr. Speaker with the indulgence of this body I want to comment on the present circumstances as I understand them.

Much has been said, mostly in a critical manner, about Gramm-Rudman-Hollings which would cap the deficit at \$144 billion in 1987, and would con-

tinue to reduce it annually by approximately \$40 billion until 1991. Hopefully, this would create a balanced budget by 1991. But, even if this is successful, this country will still have a national debt of at least \$2 trillion. The interest on the debt will continue to be an entitlement of \$150 billion and more each year. So, in effect, we have a two-step program which should work:

First, to balance the budget by 1991, and

Second, to begin to whittle away the debt and in the years thereafter to reduce the amount of interest paid on that debt in the 1990's.

Most likely special interest groups of all categories will surely see this as an assault on their own sometimes narrow world and will rise up in protest. This is a natural process but we as a Nation must rise above such interest but remember that fairness and equity is important to all segments of society.

Members of Congress, concerned with their political future, will have a tough choice. We can decide to either vote courageously for continued cuts or we can follow the line of least resistance and refuse to face up to the necessary sacrifices a balanced budget will require.

I happen to believe that it's high time to stand up for what's best for America. There is no greater priority. It's time to protect this country's future, to return it to the fiscal responsibility necessary to keep it the greatest Nation on Earth, to take such political risks as are necessary in the process.

I'm not happy living in a debtor nation, and I don't imagine that my colleagues and our citizens are happy about it either: 1987 will prove to be a key to the success or failure of Gramm-Rudman-Hollings. Its failure would mean the abandonment of fiscal responsibility.

There was relief and even jubilation by many when the Supreme Court, on July 7, ruled against the trigger mechanism contained in the legislation. The sequestration authority given by Congress to the Comptroller General was ruled unconstitutional.

There is no doubt that many expect Gramm-Rudman-Hollings to disappear and many who are indeed hoping that it will. For myself, I pray that it will survive, for the sake of all of us.

The Supreme Court has defused the time bomb in the Gramm-Rudman-Hollings Deficit Reduction Act, but all of the other mechanisms in the law remain intact.

It is now up to Congress instead of the Comptroller General to vote to impose whatever cuts are necessary in order to bring the budget in line with the Gramm-Rudman-Hollings deficit targets.

On August 15, the Congressional Budget Office and the Office of Man-

agement and Budget will make their formal projections of the budget deficit for 1987.

If the estimates are higher than the deficit target under Gramm-Rudman-Hollings—\$144 billion—and they almost certainly will be—then further cuts in Federal spending will have to be made. It is assumed that half of the cuts will come from defense, and half from nondefense accounts. This means that certain items passed into the House and Senate budget may have to be deleted in the defense and nondefense areas.

If the plan follows schedule, a temporary joint congressional committee will be formed and will issue a report specifying how much spending will have to be cut. This report will be converted into a formal joint resolution, which must be voted on immediately by both the House and the Senate.

Afterward, Congress can, through the normal legislative process, enact alternative deficit reduction measures that would supercede the across-the-board cuts.

But, if Congress does not put in place some kind of legislation that would make the necessary cuts, then the possibility of ever meeting the Gramm-Rudman-Hollings targets may be lost forever.

The most recent polls indicate that a majority of the people expect Congress to act in a fiscally responsible manner.

Therefore, while it is conceivable that some might vote against such a formal joint resolution mandating cuts in 1987 spending, I hope that most Members will make the hard choice necessary to achieve the deficit target for 1987.

I hope that we in Congress as well as members of the present administration make every effort to stabilize the public debt relative to GNP. A number of factors could be helpful.

All eyes are on economic growth at this time. If the economy performs well, the Gramm-Rudman-Hollings budget would bring the deficit close to 3 percent of GNP according to House Budget Chairman BILL GRAY.

This would be a major step toward the fiscal balance required to restore strength to our economy, especially in the areas of manufacturing and agriculture, two sectors severely weakened by the trade deficit according to Chairman GRAY.

But we should be aware of a number of pitfalls which could impact on the budget.

The most serious is the inability to forecast the deficit.

For instance, 1 year ago, the 1987 deficit was forecast at \$171 billion. In February it was estimated at \$202.7 billion. In July, OMB was estimating that it might be as high as \$215 billion.

Now, OMB is speculating that it may go as high as \$220 billion.

A close examination of the budget will reveal a number of parochial, business as usual, items tucked into the budget which may have to be deleted. Over \$2 billion is camouflaged for a continuation of revenue sharing for States, counties, and cities. Revenue sharing was a flawed concept from the beginning. It's now more inappropriate than ever, because there is no revenue to share except from additional treasury borrowing.

UDAG grants are alive and well in the budget.

Despite tough talk to make deeper cuts in the Federal payroll, the recently approved budget calls for a Federal pay raise of at least 3 percent.

Retired Federal employees—civil service and military retirees—can look for a COLA of between 2 and 3 percent.

A 3½-percent inflation index does not mandate a COLA for the more than 37 million Social Security recipients or other for 1987, but the politically sensitive budget committees have included one anyway.

In my opinion, these and other items should be flagged as "cut" targets and cut before Gramm-Rudman-Hollings goes into the sequestration gear.

There are plenty of reasons to believe that it will.

One of the main concerns is the lagging growth in the economy. Instead of the expected output of goods and services at an annual rate of 4 percent, it has stagnated in the second quarter of 1986 at 2 percent.

Forecasters are increasingly saying it will not get better.

This is a repeat of 1985 when the projections also fell to 2 percent. This means that national income is running at \$170 billion lower than expected.

This has already cost the Government more than \$60 billion in revenue and is the cause of the 1986 deficit being foreseen in the \$212 to \$215 billion range.

Therefore, my colleagues, I would encourage that we recognize that America is at a crucial point. As a collective body, we can have an impact.

The problems are evident and we have always, even at the midnight hours, been able to put our shoulders to the wheel and to correct the problems of America.

The hour is, in my opinion, upon us. The train is on the track. The obstacles are somewhat uncertain, but we can prevail.

Gramm-Rudman-Hollings isn't the best locomotive, but we should do our best to drive it to the goals that we all are seeking—fiscal responsibility and a policy of operating within our Nation's income.

To that end, there is not one political career that is not worth sacrificing.

LEGISLATION AMENDING THE DEBT CEILING LEGISLATION

(Mr. ARCHER asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. ARCHER. Mr. Speaker, I have just introduced new legislation to implement the language which the other body passed last night as an amendment to the debt ceiling which would repeal the windfall profit tax. This is an odious tax which no longer produces any revenue, requires an enormous amount of administrative red tape both for the private sector and for the IRS and other Government agencies and which would further unleash, by its repeal, additional activity for the discovery of more domestic energy resources which this Nation will desperately need in the years ahead as our production declines domestically and our imports increase, placing us in a great vulnerability to foreign sources of vital energy.

I urge the majority leader of the House Mr. WRIGHT, a fellow Texan, to push this legislation and to give us an opportunity to have a vote on it on the floor of the House in a very short period of time.

IN SUPPORT OF REPEAL OF THE WINDFALL PROFITS TAX

(Mr. BARTON of Texas asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. BARTON of Texas. Mr. Speaker, I rise to strongly support the most needed legislation that my colleague from Texas, Congressman BILL ARCHER, just introduced to repeal the windfall profit tax.

I am proud to be one of the original cosponsors of this legislation. This is legislation that was attached to the debt ceiling limit that is in the other body at this time which was introduced by the distinguished Senator from Oklahoma, Senator NICKLES. I will be working with Congressman ARCHER and the other 33 cosponsors in the House of Representatives to make sure that this much-needed legislation is passed in this body as soon as possible.

SUCCESSFUL MFA EXTENSION NEGOTIATED

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Minnesota [Mr. FRENZEL] is recognized for 5 minutes.

Mr. FRENZEL. Mr. Speaker, the administration has signed a 5-year extension to the multifiber arrangement which expired July 31, 1986. The agreement was a successful one that should solve some of the concerns of the U.S. textile/apparel industry.

First of all, coverage is expanded to include most fibers including those recommended by

the textile industry—silk blends, linen and ramie. Next, antifraud and circumvention provisions have been significantly strengthened. Further, the United States will have the ability to prevent import surges by unilaterally imposing import restraints for up to 2 years rather than the current 1 year.

This agreement should provide the coverage, enforcement and protection against surges requested by the textile industry. I attach a press release and fact sheet from the White House for further information.

STATEMENT BY THE PRINCIPAL DEPUTY PRESS SECRETARY

The President today announced that U.S. trade officials have successfully renegotiated a stronger and more comprehensive Multifiber Arrangement (MFA) that will help the textile and apparel industries compete more fairly in the international marketplace.

When the President vetoed the Textile and Apparel Trade Enforcement Act of 1985, last December, he directed the Office of the U.S. Trade Representative to aggressively renegotiate the MFA "on terms no less favorable than present." The new five-year MFA concluded this morning in Geneva significantly improves on the MFA that expired on July 31.

It expands coverage to previously uncontrolled fibers such as ramie, linen and silk blends, so that textile products made of fabrics engineered to circumvent our bilateral agreements can be restrained. It also provides a mechanism to prevent destructive import surges, and improves provisions to prevent fraud. We also made clear in these negotiations that we would continue to pursue measures in our bilateral agreements that will open markets to our textile exports.

The new MFA, coupled with tougher bilateral agreements with major trading partners such as Taiwan and Hong Kong, will allow us to moderate growth in textile and apparel imports without incurring reprisals against U.S. exports abroad. This is an orderly and positive program that stands in sharp contrast with the sledgehammer approach of the Textile and Apparel Trade Enforcement Act.

That legislation would cost consumers an extra \$44 billion for clothing over the next five years—\$70,000 for each job supposedly protected by the bill. And by requiring the unilateral and illegal abrogation of our international agreements, the bill would guarantee retaliation against U.S. exporters, including the agricultural, aerospace and high-technology electronics sectors, threatening the jobs of the five million Americans who produce goods for export. It would pit industry against industry, worker against worker and region against region. If this legislation becomes law, our trading partners would likely refuse to adhere to the Multifiber Arrangement and other international agreements.

By renegotiating the MFA, we have provided the maximum possible protection for American textile workers without sacrificing jobs in our healthy export industries or overburdening American consumers.

FACT SHEET: THE NEW MULTIFIBER ARRANGEMENT

OVERVIEW

The U.S. Government, along with over fifty of its major trading partners, has successfully renegotiated a renewal of the Mul-

tifiber Arrangement (MFA). This tough new agreement will allow the United States to benefit our textile and apparel industry without incurring reprisals against U.S. exports abroad. The new MFA also gives us the tools needed to negotiate strong, comprehensive bilateral textile agreements and avoid damaging import surges.

The new MFA agreement will enable the U.S. to thoroughly and effectively deal with previously uncontrolled fibers, such as ramie, linen and silk blends, so that textile products made of fabrics engineered to circumvent our bilateral agreements can be restrained.

The agreement will also enhance our ability to control disruptive imports by unilaterally imposing restraints for as long as two years, rather than one year as under the previous MFA, without the agreement of the exporting country. This will give the United States a mechanism to prevent import surges when bilateral agreements cannot be reached.

The provisions on anti-fraud and circumvention have been greatly strengthened, requiring exporting countries to cooperate with the United States in pursuing fraudulent activities and allowing for reductions in quotas so that the United States does not have to bear the brunt of illegal activities.

These negotiations were concluded in Geneva, Switzerland on August 1, 1986, following ten months of talks. The new MFA will go into effect immediately and will expire on July 31, 1991.

BACKGROUND

Fifty-four of the world's trading nations are signatories to the MFA, an international agreement negotiated under the auspices of the General Agreement on Tariffs and Trade (GATT).

The new MFA is an extension of arrangements that began in 1973, and was preceded by cotton textile arrangements beginning in 1961. There have been two extensions of the MFA—on January 1, 1978 and on January 1, 1982. This last MFA expired on July 31, 1986.

Like the GATT, the MFA sets standards for countries to follow in conducting international trading activities and resolving disputes arising from these activities. GATT members recognized that problems in textile trade are unique, due in part to the relatively volatile nature of trade in this sector. They established the MFA as a means of resolving these unique problems.

The MFA is a negotiated exception from the General Agreement on Tariffs and Trade (GATT). In particular, the MFA allows countries to limit imports "selectively," that is to place quotas on particular products from individual supplying countries. The importing country must be prepared to justify the restraint based on disruption of its domestic market. Importing countries are also permitted to impose quotas without paying "compensation" to the affected exporting country, as would normally be required under GATT rules. Most important, adherence to MFA rules ensures the continuation of negotiated resolution of trade disputes.

Under the MFA framework, importing and exporting countries negotiate bilateral textile agreements. The United States has agreements with over 40 countries, using a system of quotas covering more than 100 product categories. The President has authority under Section 204 of the Agricultural Act of 1956 to impose controls, provided that a multilateral agreement exists—like the MFA—signed by "countries accounting

for a significant part of world trade" in textiles.

FEDERAL BUREAUCRACY RUNNING FROM REALITY WITH RESPECT TO INTERNATIONAL TRADE ISSUES

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Georgia [Mr. GINGRICH] is recognized for 60 minutes.

Mr. GINGRICH. Mr. Speaker, today I am going to talk about the degree to which the Federal bureaucracy is running from reality as it deals with international trade issues.

The report that I had was remarkably different from our distinguished colleagues from Florida and Minnesota about the multifiber agreement.

My understanding is, as has been reported by our very distinguished leader in the fight for the survival of American jobs in the textile industry, that our negotiators in Geneva once again caved in to pressure from foreign exporters and were apparently willing to continue sacrificing American jobs on the altar of free trade.

My understanding is that the agreement contains no provisions to control massive import surges such as those we have experienced since the beginning of the decade, and it is in fact those massive import surges which often destroy small companies trying to get started or trying to survive.

In addition, apparently there is no language to penalize fraud in circumvention of bilateral textile agreements. In other words, apparently the new agreement in Geneva allows foreign countries to cheat, to destroy American jobs, to send exports to the United States without any kind of effective monitoring, and then if we happen to catch them, under the new agreement there are not provisions to stop them or to punish them.

□ 1445

Now this is typical of the performance of our trade and international bureaucracy, because our international bureaucracy seems to understand that there are American jobs and American interests at stake. I am frankly amazed that many of my conservative colleagues who know how bad the State Department in dealing with the Soviet Union or dealing with Nicaragua or dealing with Angola seem blind to the degree to which the same internationalist perspective leads to unilateral disarmament on trade negotiations.

Now, the collapse of the American position on multifibers should not have come as a shock. In fact, there was a speech made a few months back by a former American negotiator which warned that we would give up our position on the multifiber agreements. That speech was made in Hong Kong. I think it is sort of interesting

on two levels; interesting first that an American trade negotiator only a few months after leaving the U.S. Government should end up in Hong Kong; and second, that, in advising the Hong Kong Government, and what he said was that the U.S. Government would cave in.

From the Daily New Record in New York, Wednesday, May 28, 1986, "Lenahan's Key Hong Kong Speech," is the headline of an article by Mark Hosenbalt:

The Commerce Department is examining a speech given in Hong Kong last week by Walter C. Lenahan, its former top textile official, to see if it revealed any secret information about U.S. textile negotiating positions. Desiree Tucker, a spokeswoman for the Commerce Department's International Trade Administration, where Lenahan headed the textile office until last February, said the Department was looking into Lenahan's speech to see if he disclosed any nonpublic information about the U.S. negotiating strategy. Tucker denied that the Department was conducting an investigation, however. Reports from Hong Kong say that in a speech to the Hong Kong Exporters Association, Lenahan last week predicted that if the United States wanted to win agreement from its trading partners to begin a new round of global talks on lowering trade barriers, Washington would have to retreat from its current tough position on textile imports. "Because the U.S. wants a new multilateral trade round under the auspices of GATT," Lenahan said, "it will have to make important concessions to developing countries in multifiber arrangement negotiations," according to reports. Lenahan also reportedly suggested that the administration would try to crack down hard on the big three textile exporters; namely, Hong Kong, Taiwan and Korea, and liberalize imports from the Caribbean. And he also reported the U.S. desire to expand the multifiber agreement to include silk, linen and ramie, which are not covered by the agreement.

Notice now that in this report on May 28 in the Daily News Record we have a man who, until February, was designing the U.S. trade policies in the U.S. trade negotiating pattern in Commerce, in fact, who is described as the former top textile official, now going to Hong Kong where he is a paid consultant telling Hong Kong how to defeat the American strategy. It is a little bit like a Superbowl in which the assistant coach for your team just happens to show up on the other team's bench advising them about your game plan.

But notice how accurately he made a point about what has happened now in Geneva. He said the U.S. Government will be so eager to get an agreement that it will give away the store, it will give in and it will change its policies.

Frankly, we have already seen this happening in the past few weeks. As an example, there was a Hong Kong agreement, and the Hong Kong agreement continued the process of giving away the U.S. textile and apparel market. After announcing that a

freeze would be sought with Hong Kong, the current bilateral agreement was scrapped and replaced with one that contains no change in growth rates for Hong Kong's apparel quotas. The growth rates in the new U.S. bilateral are in fact higher, much higher, than the growth rates in the Hong Kong agreement with the European Common Market.

During the 6 years of this agreement imports from Hong Kong will be more than 200 million square yards higher than a freeze at 1985 quota levels. Most of this increase will be in apparel categories that have the highest import penetration levels in the United States.

Furthermore, apparel construction of fibers outside the multifiber agreements exported to the United States to avoid the reach of the multifiber agreement will continue to be shipped in massive quantities to the United States; for example, over 500 million sweaters.

Interestingly, for example, is an example of how foreign governments and foreign importers are much smarter than the U.S. bureaucracy. One of the parts of the Hong Kong agreement was that the shipments under \$250 would not count toward the quota. In other words, every time a shipper in Hong Kong wanted to send \$249 worth of fabric or apparel, even if he wanted to send 1,000 of \$249, which is \$249,000 in the same week, none of that would count toward the quota. So, obviously, in the age of air express and in the age of relatively cheap shipping, what you do if you have used up your quota is you now just start shipping \$249.99 bundles, all of which are technically smaller than the quota size starts at.

But we have other examples of the U.S. bureaucracy giving away the store. For example, the Washington Post, Tuesday, July 29:

On the eve of the Senate Foreign Relations Committee debate on economic sanctions against South Africa, the office of the U.S. special trade representative has negotiated a tentative bilateral agreement with the South African government increasing the rate of textile exports to the United States.

The article went on to say:

The 4 percent increase granted South Africa is greater than the rate increases granted this year to Taiwan, South Korea and Hong Kong—the major textile exporters to the United States.

In other words, at a time when everyone else in the United States was talking about what should we do with South Africa, the United States Trade Office is increasing by 4 percent the textile quota for South Africa.

But there are other examples. Consider, for example, the negotiations that were held with Turkey. All of this, by the way, is occurring in approximately the same timeframe, and all of this involves a period when the

administration was saying that it was going to be very tough, that it was going to protect the U.S. market, that it was going to work to make sure that President Reagan's promises were kept.

Here is what Inside U.S. Trade said, a weekly report of June 27, 1986. The article is entitled "Administration Reaches Textile Pact With Turkey Allowing Import Growth:"

U.S. officials in the process of renegotiating nearly 30 bilateral textile agreements have concluded a pact with Turkey that will allow for significant growth in at least 10 categories of textile imports. While the effect of this agreement on the remaining bilaterals and the overall question of textile imports is not yet known, congressional and industry sources reacted sharply. Sources say the agreement was very generous to Turkey and that it bore the thumbprint of the State Department and was in fact negotiated in part with the goal of easing diplomatic and military tensions that had developed between the two countries.

In other words, once again the U.S. State Department gave away American jobs, gave away the American market, gave away American prosperity in order to somehow accomplish a diplomatic goal that the professional bureaucrats in the State Department was worth putting people out of work:

According to government sources, the agreement does not address provisions for import surges, new fibers, better access to Turkish markets or better prevention of Customs frauds.

Notice again exactly the complaints we have been told by telephone occurred in Geneva with the multifiber agreement: no provisions for import for surges, which kills small businesses; no provisions for stopping Customs fraud; no better access to the market of the country that is allowed to ship to us.

Free trade has become a slogan which means the free American market gets exploited by foreign companies while we are locked out of their country. It is in fact a one-way trade.

Let me continue, because what is interesting is every single thing that was not in the agreement with Turkey, this article points out:

... points the administration has consistently pushed during textile negotiations. Ironically, overshipments that were embargoed during bilateral negotiations were not counted against the new limits, but were incorporated into the category increases, according to reliable sources. If this is the case, sources say, Turkish exporters were allowed unregulated shipments twice, allegedly creating a surge of 188,000 dozen shirts.

That is, since shirts are shipped by the dozen, that is an import of almost 2 million shirts.

□ 1455

It means that not only did we not roll Turkey back in terms of the amount of imports they send to the United States, not only did we not stop Turkey and freeze them at the point

they were at when the negotiations began, we actually allowed them to count two illegal shipments as part of the base on which we now have new limits.

Furthermore, we gave away, the U.S. bureaucracy gave away the very items which they said they were negotiating on, and achieved for American textiles, nothing for American workers, and nothing for American jobs.

Let me go on: "Turkey is not one of the major exporters of textiles to the United States, but it has one of the highest growth rates and has the potential to be a top supplier in the near future, according to Commerce Department sources close to the negotiations."

The talks were finalized during the recent multifiber arrangement negotiations in Geneva, and follow guidelines set down by the current MFA. The administration has stressed the workability of improved multilateral and bilateral textile agreements as alternatives to the congressional textile bill.

The same points have been brought up in negotiations with Hong Kong, Korea, and Taiwan. Though not one of the big three, Turkey has increased its exports to develop markets such as the European Community tremendously in recent years, and according to observers, "has the resources, technology, and Government support," notice, Government support, "to become a major textile exporter in the near future."

Notice what this article is saying. Turkey is in a position, with Government support, to invade our market with subsidized exports. Furthermore, because the European Common Market is now not accepting as many Turkish goods, the Europeans apparently said to Turkey, "Why do you not sell the goods you used to sell us to the United States? After all, the U.S. State Department will always give you what you want."

The result was in order to have the Turks allow us to help protect Turkey, that is, in order to keep NATO all right, we are now allowing the Turks to sell goods in our market so we can have the privilege of protecting Turkey. It is a little bit bizarre.

In the old days, empires used to exist in which they paid you to protect them? Now we pay them in order to be allowed to protect them?

Mr. WEAVER. Mr. Speaker, will the gentleman yield?

Mr. GINGRICH. I yield to the gentleman from Oregon.

Mr. WEAVER. I thank the gentleman for yielding.

Mr. Speaker, I am pleased to hear the gentleman talking in this vein, and I completely concur in his remarks and am learning a great deal about the textile industry.

I would like the gentleman, these are political decisions, who is in charge of the bureaucracy? Who is the boss? What is his name?

Mr. GINGRICH. Clayton Yeutter is the boss of that part of the bureaucracy, George Shultz—

Mr. WEAVER. It is Ronald Reagan, is it not?

Mr. GINGRICH. I would say to the gentleman that Ronald Reagan is President; obviously he is ultimately in charge of the whole system. Part of the reason I am doing this special order is to say to the President and his appointees that I think we are faced with a real turning point in American history. I think we are at the end of the post-World War II era where we were rich enough and strong enough where we could absorb everybody else's exports. I think we need to be as tough in negotiating on trade as the President is in negotiating with the Soviets.

Mr. WEAVER. If the gentleman will yield, I would like to compliment the gentleman. I think he is exactly right that we are at a great turning point. I certainly associate myself with his thoughts and ideas. I assume this means, of course, that he will be a strong supporter of the override the textile bill as will I.

Mr. GINGRICH. Absolutely. I appreciate the gentleman's comments. I think that the way in which the Geneva negotiating went on, as I commented earlier, I have been told that the Europeans were allowed in the room and worked with their government, that the Asians were allowed in the room and worked with their governments, but that the Americans were told by their Government "We will not talk to you," for the last 36 hours before the negotiations were signed. I think is a continuation of a process, as the gentleman may know, we have been told that recently when the Hong Kong negotiation was being signed that there were seven very important and powerful and wealthy Chinese manufacturers who were sitting in a Washington hotel. They were talking with their negotiator, the Hong Kong negotiator. They were talking with the former American negotiator who is now hired by the law firm that represents Hong Kong.

Meanwhile, the American textile negotiators would not talk with the American manufacturers. In fact, I have been told, although we do not yet have proof of this, I have been told by a textile manufacturer that the first word the American manufacturers had of what was going on was when a Chinese manufacturer called to tell them what our Government had given Hong Kong.

Now there is something wrong when U.S. bureaucrats leave their job, go to work for Hong Kong, sit in the hotel room with Hong Kong businessmen,

negotiate back through the Hong Kong businessmen to the Hong Kong negotiator to the United States Government, and know before the American workers do what is going to happen to American jobs.

Let me go on with Turkey for just 1 more minute. This article, "Inside U.S. Trade," went on to say:

Turkey, which as recently as this January, had opposed the U.S. efforts to reshape the Multifiber Agreement, now appears likely to support U.S. proposals, according to U.S. sources. Concerned that the Multifiber Agreement would no longer be a tool to grant textile exporters more access but rather was going to be an instrument to restrict textile imports to developed countries, the Turkish government opposed any renewal of the Multifiber Agreement.

However, Turkey will now most likely support the U.S. as it presses for changes in the multilateral regime before its July 31 expiration date, according to a Turkish source.

Notice what that paragraph says. The Turks were against the agreement, they were against negotiating in Geneva as long as they thought, "That it would be an instrument to restrict textile imports."

However, the Turks came to believe it would be "A tool to grant textile exporters more access."

Now what does this mean? It means that once again the U.S. bureaucracy has been snookered. Once again, we have given away the store. Once again countries other than the United States are going to gain, and once again our trade negotiators were simply out-classed.

This is not just a problem for textiles; this is a problem for the whole country. An article on the Nation's trade deficit said recently, "The Nation's merchandise trade deficit widened to \$14.2 billion in May from \$12.1 billion the month before, with agricultural imports surpassing exports for the first time in more than two decades", the Government said Friday.

Friday's Commerce Department report showed that once again the turnaround in the trade deficit expected from a weakening U.S. dollar has yet to materialize. Not since 1959 have agricultural imports exceeded exports, according to Agriculture Department analyst Tom Warden.

However, Warden said the "Agriculture Department still anticipates a trade surplus in agricultural products for 1986 of about \$7.5 billion, down from \$11.4 billion in 1985."

Let me make this point to all of our friends in the House who represent farming districts: A U.S. Government too weak and too inept to defend and protect the textile industry is a U.S. Government too weak and too ineffective and too inept to protect American agriculture. All over the world other governments are now subsidizing agricultural exports. All over the world other governments are now eating up American markets. Brazil is now very

aggressive in soybeans. Argentina is very aggressive in wheat. The Common Market is very aggressive in wheat.

The result is the very same government that cannot protect textile workers is not protecting farmers and the result is we face a crisis, a common crisis on whether or not the United States is going to be able to survive in a world market in which we are less and less effective.

Two examples: While the United States has bought more and more and more textile apparel from China, up dramatically, China has bought less and less and less from us in agriculture. We have been buying their textiles and their apparel; they have not been buying our goods. In fact, 1983 is the year in which we began to buy more textiles from China and apparel from China than they bought agricultural goods from us.

In fact, in 1986 they will buy so little American agriculture that it will be almost impossible for China to retaliate against the textile bill because they are not buying anything.

The second example: There are five major textile and apparel manufacturing countries. They sell far more to us than they buy from us in agricultural exports. They have far more at risk in international trade now than we do because they are simply not buying our exports.

One more point I would like to make about the whole issue of agricultural exports, and that is that there are a number of groups, including the Corn Growers' Association, that are now supporting the textile override because they have come to understand that a U.S. Government too weak to protect textiles is a U.S. Government too weak to protect agriculture.

Mr. WEAVER. Mr. Speaker, will the gentleman yield?

Mr. GINGRICH. I yield to the gentleman from Oregon.

Mr. WEAVER. I am just really pleased with what the gentleman is saying. He is pointing out home truths. That we do not need to fear retaliation. As a matter of fact, those people who say that the great United States has to tremble before Taiwan or Korea, I find should go home and bury their heads in the sand because we are the strong power and we do not need to fear retaliation, but we are also in a trade war today, we are in a trade war now. They are shooting at us now. We had better start shooting back.

Mr. GINGRICH. I would say to my friend that I find it very interesting that there seems to be almost a schizophrenia in the House and in the country.

□ 1505

Most of my friends on the left who understand the need to be tough when negotiating on trade are less convinced of the need to be tough in other kinds of negotiating. Most of my friends on the right who are very angry at the State Department for not understanding how to negotiate with the Soviet Union and others have no concept of negotiating on trade, and in fact many of them, in the name of free trade, are for unilateral disarmament.

Now, free trade on America's part with Japan or Hong Kong or the European Common Market means that foreigners set the rules. It does not mean that we have free trade. It means that foreign governments will decide the terms under which American jobs survive.

Let me say this also: Some of our good friends have this idea that if only the currency would work out all right, if only the dollar's value got to some magic point, then everything would work. And they have been in particular looking at the yen.

Now, there are two things I want to say about that. The first is that while the value of the yen has been going up pretty steadily since August 1985, so has the volume of imports from Japan in textiles and apparel. This shocks people. This graph is not large enough for anyone to see, but the fact is that the value of the yen has gone up dramatically, and at the very same time the number or the amount—not the dollar value now, but the actual amounts, millions of square yards of textile and apparel imports—has gone up almost as dramatically. It has gone up in fact from about 700 million square yards in August 1985 on a 12-month average to over 770 million square yards in April of 1986.

So literally the volume of exports from Japan to the United States in apparel and textiles has gone up at the same time the value of the yen has gone up. Let me make a second point.

Mr. WEAVER. Mr. Speaker, would the gentleman yield on that point?

Mr. GINGRICH. I am glad to yield to the gentleman from Oregon.

Mr. WEAVER. Mr. Speaker, the gentleman makes an excellent point. The gentleman has been making just penetrating points.

The yen is at an all time high with the U.S. dollar since the Second World War. It has never been higher. So the trade balance should have shifted. It has not, as the gentleman has pointed out. It has gone the other way, for one special reason that the pundits did not understand, because they do not understand business or trade or anything else, it seems, and that is that you have got a company producing textiles in Korea, Taiwan, Japan, or wherever, or a company producing chips or cars or electronic equipment, it does not matter, but with that company pro-

ducing textiles over there, if the currency evaluations go against them, they still have loans at the bank, they still have employees, they still have commitments, and they are still going to manufacture. And if they manufacture, they are still going to have to sell because they must have cash-flow, and they have a commitment of employment as well to their workers. So they continue to sell into our markets even though the currency evaluations have gone beyond them.

Now, this is going to increase, not go down. The fact is that the world is awash with goods today, and we are going to be drowned in it if we do not do something about it.

Mr. Speaker, I commend the gentleman for his efforts on this issue.

Mr. GINGRICH. Mr. Speaker, let me in fact build on that. There was an article which appeared in the April 23, 1986 issue of *Business Week* entitled "Everybody Plays in Trade." At the top of the article it says this:

An outgoing Commerce Department trade negotiator explains why the rising yen is unlikely to do much soon to calm U.S.-Japanese trade tension.

Mr. Speaker, let me just read a few paragraphs from that article:

Businessmen and politicians banking on the dollar's fall against the yen to resolve our trade problems with Japan will get cold comfort from outgoing Commerce Department Counselor Clyde Prestowitz. "If the yen went to 130, it might have an immediate effect," Prestowitz tells us as he cleans out his desk at Commerce. "But the current exchange rate [around 160 yen to the dollar] isn't going to have much effect on the trade deficit. The Japanese may invest more in the U.S., but that usually means assembly plants, and they're importing the parts. And beyond the exchange rate, there is not much you can do short term."

In matters of U.S.-Japanese trade, Prestowitz is worth listening to. Fluent in the Japanese language and Japanese business practices, Prestowitz ran a consulting and trade company with a Tokyo office from 1978 to 1981, when he joined Commerce as one of the U.S.' chief trade negotiators.

*** Prestowitz, now 44, has watched as Japan's trade surpluses with the U.S. ran from \$18 billion in 1981 to \$49.7 billion last year. Frustrated, he announced his resignation in late April and will soon join the Smithsonian's Woodrow Wilson International Center in Washington, D.C. to write a book.

Underlying Prestowitz' belief that the U.S. will continue to run huge trade deficits with Japan is his conviction that U.S. trade policy is hamstrung by personalities and politics. Commerce fights the State Department, Congress fights the Administration, and everybody scorns the U.S. Trade Representative.

We should notice here, by the way, as they mention in this article about Japan, the conflict between the State Department and Commerce that I pointed out earlier in one analysis that said, "We got a terrible agreement with Turkey recently because the

State Department forced the trade negotiators to sign a bad agreement."

This article goes on to quote Prestowitz:

"Virtually everybody in Washington plays in trade," complains Prestowitz.

Then the article goes on:

He nods as we note that Trade Representative Clayton Yeutter, whose office is supposed to watch over U.S. trade interests, was excluded from last month's Tokyo summit.

Further on in the article Prestowitz is quoted as saying:

"Bob Strauss was the strongest USTR we've ever had, but if you compare Strauss at his strongest with the Minister of MITI, it is to laugh."

Prestowitz points to the current anti-dumping cases against Japanese semiconductor manufacturers as an example of the dangers of having no coherent trade policy. "I pushed them through Washington solely to get leverage to negotiate access to the Japanese market. According to Dataquest, Japan will become the world's number one chip market this year, and if U.S. manufacturers don't have a significant share of that market, they won't have the volume to be competitive."

Let me make two points here. No. 1, our friends who keep talking about sunrise and sunset industries have pointed proudly for years to computer chips and computers. The Japanese by deliberate strategies have penetrated the American market, driven down the price of chips, and convinced the semiconductor industry that it cannot survive on its own.

I have talked with the chief executives of the Harris Corp. and Motorola Corp. who will tell you flatly that against the Koreans and Japanese, backed by their governments, individual American corporations smaller than IBM cannot survive.

Furthermore, there is an article in today's *Washington Post* pointing out that once again yesterday we caved in with the Japanese, and that an agreement which the Reagan administration is saying is a wonderful agreement has been reached, but the only two private market analysts cited said they did not think it would have very much effect. So in a very high technology, future-oriented industry we are not doing our job.

Let me continue for just a moment with this article:

Worse, the bureaucrats bicker for influence and media access. "We [at Commerce] are constantly having to develop position papers and then hand them over to USTR, and they dance off into the spotlights and the press conferences. Either you don't keep very good people here at Commerce very long, or the good guys here say, 'You guys at USTR want something? Do it yourself.' And they [at Commerce] sabotage it."

Now, this is a man who is just now retiring from the U.S. Department of Commerce who is saying that our trade policy and our trade bureaucracy is a joke, that we are incapable right now of negotiating with Japan or

Korea or Germany or Turkey with any kind of effectiveness.

The article continues:

The brunt of Prestowitz' message falls especially on those who believe U.S.-Japanese trade turbulence can be calmed with such short-term policies as currency intervention. "The agreement [at the Tokyo summit] on moderating exchange rates is positive," Prestowitz allows. "But when you have a surplus of very cheap capital, and there's no danger your company is going to be taken over by some junk bond outfit if its shares drop a few points, it's much easier to take the long-term view. If you get into a slugging match in something like semiconductors, where the only question is who can spend more longer, the Japanese can win every time."

Mr. Speaker, let me repeat that quote from Prestowitz: "*** the Japanese can win every time."

The article goes on as follows:

Most of all, however, Prestowitz hopes the business and political communities will acknowledge that radical shifts in the global economy since the 1950s now demand a comprehensive reexamination of our entire attitude toward trade.

Let me repeat that, because this is my major appeal to President Reagan, to the Reagan administration, and to our Republican colleagues in the House. This is the core of why we should vote for the textile bill.

*** Prestowitz hopes the business and political communities will acknowledge that radical shifts in the global economy since the 1950s now demand a comprehensive reexamination of our entire attitude toward trade.

Then the article goes on:

Prestowitz says: "Since the war we've been the leader of the free-trade system. But we're facing a kind of trade relationship with countries in Asia and elsewhere that was not contemplated. For a long time the sheer dominance of the U.S. economy allowed us to accept the unequal trading relationship. But as we decline relatively in weight in the trading system, we're less able to carry the costs of some of the inequalities in the relationships."

The article then closes with this paragraph from the author of the article, a writer for Business Week named Marc Beauchamp:

Academic economists and administration free-traders may not like such talk from a seasoned trade negotiator. But foolish are the Generals who ignore the daily intelligence from the trenches.

□ 1515

Now, let me remind our readers and our listeners, Prestowitz was, if I understand it correctly, a Reagan appointee who joined the Commerce Department in 1981, who came out of private enterprise. Prestowitz is not some career bureaucrat who is hanging around saying that only the bureaucracy can do it. He is a conservative, rational businessman, saying that in the real world of negotiating with Japan, in the real world of saving American jobs, and competing with the Common

Market, we have got to be smarter and better than we are being.

I would suggest that the multifiber agreement is another example of why we have to be smarter than we are.

Let me go back to the currency question just for a second. In fact, as the gentleman from Oregon noted, while from March 1985 to June 1986 the yen has increased by 35 percent against the dollar, at the very same time the South Korean currency got weaker by 4 percent. The Chinese currency got weaker by 13 percent.

In other words, in two of our biggest competitors, South Korea and China, in terms of apparel and textiles, while everybody was focusing on the Japanese yen getting stronger, two of our competitors had a better advantage, a 4-percent-better advantage over the last year for Korea, a 13-percent-better advantage for the People's Republic of China.

What about Hong Kong? Hong Kong stayed exactly even because in fact Hong Kong currency basically tracks the United States dollar.

What about Taiwan? The big advantage that currency fluctuation gave us against Taiwan was a 4-percent improvement.

So I would say, while the Japanese are simply lowering their profit margin to keep their market share, the Chinese are increasing their profit margin, because their currency is getting better against the dollar from China's standpoint.

Let me go a stage further. What should bother all of us is not only that the U.S. trade bureaucracy has no concept of how to protect American jobs, it is not only that the State Department seems systematically willing to give away American jobs for whatever the State Department defines as interest, but it is also that the rules of the game are rigged against American business.

Let me cite an article out of yesterday's Washington Post, entitled, "GAO Cites Possible Lenahan Conflicts. Agency Says It Will Refer Case to Justice Department for Potential Criminal Prosecution."

The General Accounting Office has found that a former Commerce Department official may have violated federal conflict-of-interest laws by talking to three companies about a job while participating in government decisions affecting his potential employers.

The article goes on to say:

According to the GAO, the investigative arm of Congress, Lenahan also advised clients of his consulting firm about textile trade issues that he had been deeply involved in for the government. The GAO said he helped Israel change an agreement he had negotiated six months earlier for the U.S. Government; advised the Japanese government on a new textile agreement after he had served as a member of the U.S. delegation in the talks a month earlier, and advised Hong Kong on its textile agreement after having served on the government com-

mittee that developed the U.S. negotiating strategy.

Now, let me just say, if that is accurate, if the General Accounting Office report is accurate, and Mr. Lenahan, whom I do not know, but who was in fact the most important single textile negotiator for the U.S. Government, if in fact with Israel, Japan, and Hong Kong, within a very brief time of his quitting his Government job he helped them negotiate back with the very office he had been in charge of, there is something wrong. That is literally like having your assistant coach at the Super Bowl game decide in the morning that he will walk across the field and spend the day advising the opposition team on what plays to run, having studied your playbook all that time.

The GAO listed four episodes in which Lenahan may have violated federal conflict-of-interest laws:

While discussing a possible job with Liz Claiborne, Lenahan served on a government panel that developed the U.S. negotiating position for textile quota agreements with Taiwan, Korea and Hong Kong. Lenahan said he knew that Hong Kong and Taiwan were major suppliers of Liz Claiborne garments.

While talking about his present job with IBERC, Lenahan ran meetings that affected textile imports from Hong Kong and China. These countries are clients of IBERC and the New York-Washington law firm of Mudge, Rose, Guthrie, Alexander and Ferdon, with which the consulting firm is allied. The meetings led to toughening of quotas for those countries.

Lenahan participated in the negotiations of a bilateral trade agreement with Japan despite knowing that IBERC had an interest in the outcome. One of the consulting firm's client is the Japan Chemical Fibers Association.

Lenahan advised Commerce officials about a textile quota bill then before Congress while he was talking about a new job with Liz Claiborne, IBERC and Burlington. By significantly reducing textile imports, the GAO said, the bill would affect the financial interests of all three firms.

Now, the IBERC, by the way, is the International Business and Economic Research Corp., a consulting firm that represents textile companies and that is in fact often paid for, has its work paid for by the law firm which represents Hong Kong.

Let me also point out that the International Business and Economic Research Corp. is often cited by people who say they are for free trade.

In other words, we have studies done by a firm paid by Hong Kong that proves we ought to trade with Hong Kong. That is somehow not a conflict of interest if it favors the side of the trade bureaucracy.

Now, how serious is this? Well, let me quote from the Daily News Record of July 9:

U.S. HAS TOP-SECRET REPORT ON TEXTILE POSITION LEAKS

The Reagan Administration has evidence, in the form of a top-secret intelligence report, suggesting that sensitive U.S. textile negotiating information was leaked to a textile exporting country, government sources have disclosed.

Chief U.S. Textile Negotiator Charles Carlisle was made aware of the secret intelligence report several months ago, the sources said, and this prompted him to suggest publicly in April that a leak of U.S. negotiating information had occurred.

But, the existence of the intelligence report interpreted by the Administration as providing independent evidence of such a leak has not previously been disclosed. Indications are that the Administration regards the intelligence report as so secret that it is reluctant to make it public in order to advance investigations into the sources of the alleged negotiating leak.

Carlisle has declined publicly to identify the country which allegedly received the leaked information, which reportedly related to U.S. negotiating strategy for talks on the renewal of the Multi-Fiber Arrangement, which regulates international textile and apparel trade.

In other words, the very agreement in Geneva yesterday which we have been told by the textile industry was a sellout of United States jobs, that agreement not only had been forewarned by the Hong Kong sellout and the Turkey sellout, it also had been indicated by the fact apparently countries such as South Korea and Hong Kong were the recipients of secret Government information.

Let me quote for a moment if I might Mr. Carlisle himself, talking about that sort of problem. This is from the April 29 Washington Post, entitled, "U.S. Stand On Textile Talks Leaked, Negotiator Says: Current Or Former Official Held To Blame."

The body of the article goes on to say:

Key parts of the U.S. position in critical textile negotiations were leaked to a foreign government, undercutting efforts to provide protection for the domestic textile industry, the chief negotiator said yesterday.

Congressional sources said the information could have come only from someone still in government or who had left recently. Sources in the administration and on Capitol Hill refused to speculate on the leaker's identity.

Negotiator Charles R. Carlisle said he discovered that the U.S. negotiating position had been compromised when he made stops in Hong Kong, South Korea and Taiwan to describe the U.S. position in negotiations to renew the multifiber arrangement (MFA), which regulates textile trade. The three nations are leading Far East suppliers of textiles and clothing to the U.S. market.

Notice now this paragraph:

Carlisle said, however, that the U.S. position was already known in at least one country.

In other words, when our man arrives to tell the foreign government what our position will be, the foreign government says, "Oh, we know that. We already have your playbook. We

know what your Government wants to do."

Carlisle said, and I quote Carlisle himself;

Certain sensitive information became known to some foreign governments before I conveyed it. It's a problem in this city, a very regrettable problem, that undercuts our ability to conduct the Nation's business.

The article went on to say:

The leak of information on textile negotiations, however, shows that the problem reaches beyond the high-profile, high-priced lobbying by former White House aide Michael K. Deaver that presently is getting most of the attention.

"I think we have a continuing problem in this city," said Carlisle, "and I think it is widely recognized that exceedingly confidential Cabinet discussions get out on the street within a matter of hours."

The Japanese Embassy, for instance, learned important information in Cabinet deliberations of a trade case involving machine tool imports three years ago. Prime Minister Yasuhiro Nakasone made a personal plea to President Reagan to change the decision.

Now, what is that saying? It is saying that we are in a situation where even if the U.S. negotiators were better than they are, even if the system for U.S. negotiations was better than it is, that we are having people who are leaking to our foreign competitors our positions. It is in this setting that the Geneva Multifiber Agreement is such an outrage and it is for this reason that some people have been calling for investigations into the way in which we have been negotiating on textiles.

What makes all this particularly frustrating is that Ronald Reagan has consistently said in print that he would support efforts to protect American jobs.

Let me quote from September 3, 1980, a letter from Ronald Reagan:

The fiber/textile/apparel manufacturing complex provides 2.3 million vitally needed American jobs, including a high percentage of female and minority employees. As President, I shall make sure that these jobs remain in this country.

The Multifiber Arrangement (MFA), which is supposed to provide orderly international trade in fibers, textiles, and apparel, was first negotiated under a Republican Administration. The MFA expires at the end of 1981 and needs to be strengthened by relating import growth from all sources to domestic market growth. I shall work to achieve that goal.

In other words, the President promised before he was President on September 3, 1980, that he would only allow textiles to grow at the rate the domestic market increased. In fact what has happened? Imports have grown at the rate of 100 percent. From 1980 to 1985, the market has grown 10 percent. While the market increased by a factor from 100 to 110, imports were increasing by a factor of 100 percent, from 100 to 200.

In other words, we were getting 10 times as big an increase in imports as we were in the market itself.

Now, what happens when you are flooded with foreign imports, much of it made, for example, by 28-cent-an-hour Chinese workers or by 13-year-old girls in Thailand working for \$1.40 a day? What happens is that your employment goes down. Employment in 1980 was at about 2.3 million, as President Reagan said at that time. Employment today is in fact down by about 250,000 jobs.

The difference is that the President and the administration did not work to protect those jobs the way they said they would.

This is a very severe, very difficult problem. The actual numbers are that more than 300,000 American textile and apparel workers have lost their jobs since 1980. Data Resources, Inc., estimates that by 1990 if import trends continue, and the Multifiber Agreement just signed in Geneva yesterday indicates that it will, 947,000 people employed by the U.S. textile and apparel industry will have lost their jobs.

Let me carry on. After all, the September 30, 1980, promise was Candidate Reagan. What about President Reagan?

October 4, 1982, this is the President now:

You know that I share your concern about the unemployment and the decrease in production in the textile/apparel industry caused by imports and further exacerbated by the recession. As I mentioned during our recent discussion concerning textile industry problems, I have made a commitment that was reaffirmed last December by Jim Baker, to seek to relate total import growth to the rate of growth in the domestic market.

Now, the question is this. The President twice promised to relate total import growth to the growth of the American market. Does the Turkish agreement meet the President's standards? No. It fails.

Does the Hong Kong agreement reach the President's standard? No. It fails.

Does the new Multifiber Agreement meet the President's standard? No. It fails.

□ 1530

What then is the case? One of our problems is that there is a real disagreement about fact and fiction. There is a great deal of misinformation about the textile and apparel bill and the upcoming vote to override President Reagan's veto. Let us distinguish fact from fiction.

Fiction: The textile and apparel issue is only a regional problem.

Fact: In a June 1986 poll Americans said that they were fed up with a weak, ineffective trade policy. When asked, 73 percent nationally said that

their Congressman should vote to control clothing and textile imports.

Everyone expects the South to be pro-textile, but consider these results: In the West, 68 percent support, 21 percent oppose, and 11 percent do not know.

In the Midwest, 63 percent support, 28 percent oppose, and 9 percent do not know.

In the Northeast, 66 percent support, 25 percent oppose, and 9 percent do not know.

That is by Government Research Corp./Matthew Greenwald & Associates, June 1986.

Fiction: Most voters do not really care how I vote on the textile bill.

Fact: In June 1986, 83 percent said "they will consider their Congressman's position on trade issues when they decide who to vote for in November."

Fiction: Farmers want free trade and oppose the textile bill.

Fact: In July 1986 in Iowa, 16 percent were more likely to vote for a Congressman who voted to sustain the veto—that is, against the trade bill—and 56 percent in Iowa were less likely to vote for a Congressman who voted to sustain the veto.

I might also say to my Republican friends who are thinking about the Presidency that in Iowa 15 percent were more likely to vote Republican for President if the veto was sustained, and 40 percent were less likely to vote Republican for President if the veto was sustained. In other words, by 40 to 15, Iowans are likely to vote against the Republican Party if the veto is sustained, and for Congress, it is by 56 to 16 they favor overriding the veto.

Fiction: But farmers are for totally free trade.

Fact: All U.S. trade patterns are changing. On July 18 the National Corn Growers Association endorsed the Textile and Apparel veto override. They noted, "Farmers are increasingly becoming victims of the unfair trade practices of United States trading partners . . . South Korea and other textile exporting countries cannot expect to have it both ways. It's time to send a signal to the world and to the Department of State that we are not pleased with this one-way trade policy."

Fiction: The administration's new trade agreements show that they have already gotten the message and are negotiating better.

Fact: Despite its press releases, the administration's recent agreements have been a disaster.

Turkey received increases ranging from 40-percent to 219-percent growth in various quotas.

Hong Kong received a 23-percent increase in quotas, and still it has a \$250 shipping loophole below which nothing counts against the quota. In other words, 1,000 shipments at \$249 each

would not count one item against the limit. While the Hong Kong limit looked hopeful in including ramie under the quotas, the Hong Kong manufacturers have already announced that they will move their ramie factories to the Philippines, which has no quotas. Uncle Sam is once again Uncle Sucker.

Fiction: The administration has kept its word.

Fact: The President promised again and again that he would work to set limits on textile and apparel imports. He promised to fight for American jobs.

The promises have been broken. Only Congress can renew the faith of the American people that American jobs are as important as Mexican loans, Turkish military bases, and Communist Chinese good will.

Fiction: The U.S. textile and apparel industry is old-fashioned and does not deserve help.

Fact: The American textile and apparel industry's 4.5-percent-a-year productivity increase is better than the 2-percent-a-year U.S. manufacturing average.

One billion dollars a year has been invested by the textile and apparel industry every year since 1964. In 1985 it invested \$1.8 billion.

Twenty-cent-an-hour Chinese workers and \$1.40-a-day 13-year-old Thai girls are working in modern factories built with World Bank and IMF loans. Our taxpayers are loaning the money to build the factories so sweatshop wages can destroy our jobs.

In fact, the American textile and apparel industry is the most modern in the world, but it pays \$6 and \$7 an hour, not 20 cents.

A vote to sustain the veto is a vote to replace \$6-an-hour American jobs with 20-cent Chinese workers.

Fiction: This bill would seal off the U.S. market.

Fact: The United States accepts three times as much apparel per capita as the European Common Market and Japan. With this bill, we would still be the most open textile and apparel market in the world.

Fiction: This bill is protectionist, like Smoot-Hawley.

Fact: This bill would leave 50 percent (half) of the U.S. market in imported goods, and would allow imports to grow as fast as the market.

Fiction: We do not need a law, we just need good enforcement of the agreements.

Fact: It is precisely because the administration refuses to enforce the agreements that we need a law. Despite every promise, the administration simply refuses to keep the agreements and enforce quotas.

Fiction: I would vote for the override, but the administration has taken care of my trade problem.

Fact: Until Wednesday, the administration may promise anything. The day after Congress fails to override the veto, it will return to business as usual. If Congress cannot fight successfully for the largest American industry (2.3 million jobs), the message to the State Department and the Trade Representative will be clear: You can ignore Congress, because it cannot get its act together.

Summary: If you think that the State Department and the trade office have been aggressive, hard-hitting, and decisive, you should vote to sustain the veto.

If you think that this administration has a thought-out trade policy for oil, agriculture, and manufacturing, you should vote to sustain the veto.

If you think that this administration is more afraid of Congress and the American people than it is of Japan, Saudi Arabia, Korea, and the IMF and the World Bank, you should vote to sustain the veto.

If you think that the Republican Party should go into the fall elections as the party that thinks that our trade deficit does not matter and foreign imports do not matter, you should vote to sustain the veto.

Now some people will say, "Oh, but I am a free-trader. I am ideologically committed to free trade."

Let me point out a few things as a historian. This is the "Wealth of Nations," the book usually cited by free-traders. It is in fact something on the order of 1,000 pages thick.

Let me quote some examples free-traders never tell you about from Adam Smith, who was not only a smart man, but whose last job was as collector of customs for Scotland.

Adam Smith was much more complicated than some kind of dogmatic giving away the store in the name of an ideology.

Adam Smith advocated free trade in a theoretical abstract world, and mutual trade in the real world of nation states. In the "Wealth of Nations," written in 1776, he states, "Those two cities [London and Calcutta] . . . at present carry on a very considerable commerce with each other, and by mutually affording a market, give a good deal of encouragement to each other's industry." Page 23.

Let me note that I am for mutual trade. Notice how on page 23 he says "mutually affording a market." If Japan wants to be part of a common market, I am all for it. If Canada wants to be part of a common market, I am all for it. I will accept dislocations, if it is really fair. But if it is one-sided, where we provide the market and they provide the jobs, I am against it. That is not free trade, that is being dumb.

Adam Smith provides four cases in which "it will generally be advantageous to lay some burden upon foreign [industry], for the encouragement of domestic industry." That is page 484.

1. "When some particular sort of industry is necessary for the defense of the country." Page 484.

Adam Smith was so favorable to the defense argument that he noted, "As defense, however, is of much more importance than opulence, the act of navigation is, perhaps, the wisest of all commercial regulations of England." That is page 487. The Navigation Act decisively favored British and punished foreign shipping. In some cases it prohibited foreign shipping totally. Its purpose was to build up shipping for the Royal Navy.

2. "The second case . . . is when some tax is imposed at home upon the produce of the [domestic industry]. In this case it seems reasonable that an equal tax should be imposed upon the like . . . products of the foreign industry. That is page 487.

In other words—and I defy any free-trader to look at this in the American context—any tax that we levy on an American industry, we should be taxing foreign goods according to Adam Smith. Let me tell you, if we did that, we would have massive tariffs tomorrow morning. We do not do that. Smith points out that if you tax your own industry and you do not tax foreigners, they are going to drive you out of business. Free-traders never quote that page when they talk about Adam Smith.

3. The third case is, "when some foreign nation restrains by high duties or prohibitions the importation of some of our manufactures into their country. Revenge in this case naturally dictates retaliation, and that we should impose like duties and prohibitions upon the importation of some or all of their manufactures in ours. Nations accordingly seldom fail to retaliate in this manner."

That is page 489, and Adam Smith never saw the American State Department. The fact is that Smith says specifically that if Korea prohibits us, we should retaliate. If Japan prohibits us, we should retaliate. On page 489, Adam Smith, the father of free trade, specifically calls for retaliation.

4. The fourth and final case, "when particular manufactures, by means of high duties or prohibitions upon all foreign goods which can come into competition with them, have been so far extended as to employ a great multitude of hands. Humanity may in this case require that the freedom of trade should be restored only by slow gradations, and with a good deal of reserve and circumspection. Were those high duties and prohibitions taken away all at once, cheaper foreign goods of the same kind might be poured so fast into the home market, as to deprive all at

once many thousands of our people of their ordinary employment and means of subsistence. The disorder which this would occasion might no doubt be very considerable." Page 491.

In other words, if 300,000 workers—what Adam Smith calls a "great multitude of hands"—have lost their jobs, would that not fit what he calls a "disorder"? Is that not exactly what he is describing on page 491?

Smith was not a protectionist, but he was also not a pure theoretician. He knew that there was a gap between the ideal of a free market and the reality of nation states.

Look again at the administration's dogmatic free-trade positions, and consider the exceptions outlined by the father of free trade.

The SPEAKER pro tempore (Mr. GRAY of Illinois). The Chair reminds the gentleman that he has 3 minutes remaining.

□ 1540

Mr. GINGRICH. Let me just close by saying that I would also remind our friends of the American tradition and the lessons of Alexander Hamilton and Henry Cabot Lodge.

The first American state paper to deal with trade and tariffs is the Report on Manufactures communicated to the U.S. House of Representatives December 5, 1791, by Secretary of the Treasury Alexander Hamilton.

He served as aide to Washington, helped write the Constitution, coauthored the Federalist Papers and studied the writings of Adam Smith.

His 129-page paper is a classic statement on the role of government in regulating trade in a world of nation-states.

In 1885, Henry Cabot Lodge edited Hamilton's papers and wrote a commentary. As a rising young reform Republican, Lodge's comments on the debate over trade bear repeating for our generation:

The report on manufacturers is, with the exception of the first report on the public credit, the most important state paper written by Hamilton, and to say this is to say a great deal. Unlike most of his reports, it laid the foundation of the protective policy in the United States; and was an integral part of that national system of measures which was the polestar of Hamilton's statesmanship. Its principles were all subsequently adopted; its doctrines have prevailed as a rule in the political contests to which the tariff at various periods has given birth, and it has colored and guided the views of our statesmen and the economical and industrial policy of the country for nearly a century.

For many years Hamilton had been a close student of political-economical questions. After reading all the earlier writers, he read Adam Smith with great care, and wrote in 1783, while a member of Congress, an extended commentary, no longer in existence, upon the 'Wealth of Nations.' His training and preparations are shown fully in this report, not only in discussing the protection principle, but in the able treatment of the

general theory of taxation. As an exposition of the reasons for the protection of nascent industries—a doctrine accepted by Mill—this report has never been surpassed, and as an argument for the adoption of the protective principle as the true policy for the United States, without reference to other countries, it has never been successfully answered.

The question, under very different conditions, is a living one today . . . Apart from its intrinsic merits as an argument, and apart from the principles it advocates, Hamilton's report on manufacturers, especially when the tariff is an immediate issue, is very wholesome reading. Whether a man is a free-trader, tariff-reformer, or a strong protectionist, he will do well to study this report, for it contains one thoroughly good lesson. It clears the mind from cant. It shows the true why in which this subject should be discussed, from whatever point of view one approaches it. Hamilton always looked facts in the face. He knew that the question of free-trade or protection was purely a question of business expediency, and as such he discussed it. Probably nothing made Carlyle more violent in his denunciations of the "dismal science," than the cant which the Manchester school brought into it, which became well-nigh universal in England. Free-trade was good business policy for England, and so far so good, but when its supporters undertook to make a moral question out of it, to elevate it as a fetch which was to cure all human ills, and to hold up the "laissez aller" principle as a sort of religious creed, Carlyle crying in the wilderness revolted. He, like others who had studied history, knew that the waste places of the earth had not been built up, and civilization painfully extracted from barbarism, by "laissez aller" and "laissez faire," and he was nauseated by the humbug with which the whole matter was enveloped.

The SPEAKER pro tempore. The time of the gentleman from Georgia [Mr. GINGRICH] has expired.

AGRICULTURE TRADE POLICY

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Oregon [Mr. WEAVER] is recognized for 15 minutes.

Mr. WEAVER. Mr. Speaker, I want to say to my friend from Georgia [Mr. GINGRICH] that I am deeply appreciative of his remarks, and his very cogent statement. I learned a lot, and I completely agree with him on everything he said. His professorial tone taught me a lot. I usually take a more emotional point of view.

But I would like to ask the gentleman a question. There is another issue that he hinted upon in his speech that is presently upon us. As a matter of fact, it has been incorporated in a bill in the other body, and it has passed out of the Agriculture Committee in the House of Representatives. That is an attempt to subsidize the Soviet Union with our grain for our grain sales.

We have passed out a bill in the Agriculture Committee, on which I sit. I was, of course, strongly opposed to the bill. It has \$300 million of subsidies to

the Soviet Union to buy our grain even cheaper than we are selling it today.

It is very clear, it should be very clear, anyway, unless people cannot think straight, that if you drive the price of grain down in this country more than we simply drive the world price down. We do not sell anymore, and our farmers actually get a lower price for the grain, and the subsidies, the regular farm subsidies that go to farmers would increase the cost to the taxpayers twofold. They would increase the farm subsidies paid to the farmer, and it increases the subsidy paid to the Soviet Union.

What does the gentleman from Georgia think about subsidizing the Soviet Union?

Mr. GINGRICH. Mr. Speaker, will the gentleman yield?

Mr. WEAVER. I yield to the gentleman from Georgia.

Mr. GINGRICH. Mr. Speaker, as the gentleman knows, I am very strongly against subsidizing the Soviet Union.

I would say, however, I am very strongly in favor of taking the steps that are necessary to create a world market in grain in which our farmers may have a fair chance to compete.

I find it amazing that the International Monetary Fund and the World Bank, and legitimate U.S. efforts over the last 2 decades have created competitors who have helped drive us out of our own market. I would cite one other example. Our friends from the European Common Market intensely subsidize wheat. I am not an expert in this area. But my understanding is that the French for wheat is something like \$6.15 a bushel.

We are never again going to be competitive in the world market until we adopt, as a national policy, the principle that we will go into the market and make it so expensive for our competitors to try to play this game that we have a general agreement. I would like to see the President call for a summit conference of the grain-exporting countries and get them to sit down in one place and recognize that the gentleman is exactly right, we are playing a game of beggar thy neighbor whereby the Canadians are going to lower the price in order for people to buy it.

Mr. WEAVER. Is the gentleman aware, first of all, that this gentleman from Oregon has had a bill every year in the House of Representatives, and has offered it as an amendment to the farm bill in 1977 and 1981, to actually increase the price of our grain to the Soviet Union and other countries in the same way OPEC increased the price of oil? If we had to sell a little less, but got more dollars for it, that makes sense. OPEC made millions and hundreds of millions of dollars.

If the gentleman would allow me to finish, that makes sense.

Mr. GINGRICH. Of course. It is the gentleman's time.

Mr. WEAVER. What does not make sense is if you are selling at a loss, at a great loss, and every bushel of corn, wheat, soybeans that you sell at a loss is bankrupting our farmers. Why on Earth are we going to sell even cheaper? Does that make sense to make it up in volume? Besides which, a direct subsidy of hundreds of millions of dollars to the Soviet Union.

We are going to be called upon next week to vote hundreds of millions of dollars for military weaponry to defend ourselves against the Soviet Union. Why, on the other hand, then, are we about to subsidize with one of the most precious commodities in the world, food, the Soviet Union with hundreds of millions of dollars? I ask my friend from Georgia, please explain this paradox for me.

Mr. GINGRICH. I appreciated the gentleman's earlier comments to my professorial tone, and all I can say to my good friend from Oregon is, while I have studied the textile matter and have some knowledge, I am frankly puzzled by the level of confusion that everybody seems to have about the world grain market, and I say this in this context:

There is an excellent article I am sure my friend has seen in Foreign Affairs called "A World Awash in Grain," which makes the point that in the 1950's we shipped one shipload of grain a day, a day to India. Last year India exported \$100 million in grain.

That is a change so profound that I think it requires us to rethink our entire agricultural policy. Yet, we stumble along. And I would not absolve this administration. I think there has been a bipartisan and a cross-ideological lack of inventiveness in agriculture.

Mr. WEAVER. Let me tell my friend that on the Agriculture Committee I have had the Secretary of Agriculture, Mr. Block, then Secretary, on the stand many times.

□ 1550

I am also, as well as a champion of selling grain to the Soviet Union at higher prices, not lower: Let us gouge the Soviet Union with our grain prices in the same way they gouged everyone else in their oil and their gold. Why should oil be sold high and gold be sold high and our grain be sold low?

We have been taken for suckers for a long time. It is about time for us to sell high and buy low; instead of buying high and selling low, instead of being taken for suckers as we have and the gentleman has just mentioned.

I am also the father of the organic farming bill, to start getting away from the toxic chemicals we use to grow and start growing our commodities with more natural methods—

which we find out, by the way, are oftentimes cheaper.

So I have asked Secretary Block, "What's the main problem with our agriculture? Why are our farmers going bankrupt, Mr. Secretary?" He said, "We produce too much. The world is awash in commodities, in grains." He said, "Therefore, the price has been driven down."

I said, "Mr. Secretary, I'm championing the organic farming bill that you're opposing. Why do you oppose the organic farming bill, Mr. Secretary?" This is in the same sentence almost. He will say, "Well, we wouldn't grow enough." We would, of course grow plenty to feed ourselves—they just cannot put it together. They cannot press the idea on one side of their head into the idea on the other side of their head.

That is irrelevant today, I think we should go into organic farming, and I think this is the time to do it to save our soil and water; but the question I am making now is, something that I have told the House for 12 years and we have not got it through to the people of this country, particularly the bureaucrats, as my friend from Georgia astutely blames, because in this instance it is sure bureaucrats, let me tell you.

We sell 78 percent of the soybeans in the world markets, right now. If we stopped selling soybeans, Japan would be in real trouble. I mean, they just simply wouldn't eat a lot of the foods they are eating now. We sell 50 percent of the corn in world markets. If we stopped selling corn, the Politburo would not eat very many steaks, basically because these are going to feed animals for the wealthy in these countries.

So it is time we woke up to the fact that we control grain markets far more than OPEC controls oil markets and yet we stupidly, when we have a problem selling our grain—now the reason that our grain sales to the Soviet Union have fallen is that the Soviet Union has cut by 70 percent the amount of grain they bought in the world.

Everybody is saying, Oh, gosh. The Soviet Union is playing politics with their grain purchases. Yes; they are. They are pretty astute. They start buying, since Mr. Gorbachev is in there, from the European Economic Community, because they are trying to wean them away from us on other grounds, but their total purchases of grain—the Soviet Union—have gone from 28 million metric tons to 11 million metric tons, and that is the reason they are not buying from us.

So we are going to go out and do the stupidist thing imaginable. We are going to subsidize the Soviet Union with hundreds of millions of dollars to buy our grain even cheaper, and we

are going to drive the world price down, which means the rest of our grain sold to Japan or anywhere else will be driven down in price.

That is stupid; and that means if the price falls that the Government subsidy that supports the farmer between its support price and the world market price, that subsidy paid by the taxpayer is going to get greater. Let me tell you, it is going to be astronomical: \$35 billion this year is guessed.

What the farmer needs is a higher price, not a lower one. When is somebody going to stand up and say this in the Department of Agriculture, in the White House, or in the other body?

Because I will fight on the floor of the House of Representatives any attempt to subsidize the Soviet Union in the purchase of our grain, and drive the price down further, cost our taxpayers hundreds and hundreds if not billions more dollars in taxes.

I invite the public to write Congressman JIM WEAVER and tell him, "We don't want the Soviet Union subsidized with our tax money by selling our grain cheaper."

Let me tell you, it is serious: A bill has passed the other body, the U.S. Senate, incorporating this subsidy. A bill has passed the House Committee on Agriculture, only 2 days ago, incorporating this subsidy. It is to be brought to the House floor. They mean business, and if we are going to fight them, we must protest this now, today, at a time when Canadian lumber imports are drowning the timber industry in Oregon, and driving our mills out of business and forcing wage reductions in our mill workers; at a time like this we must simply protect American industry, American agriculture, American workers.

If we will not, if we will not protect American workers, who will?

THE ASSASSINATION OF JUSTICE BORDA OF COLOMBIA

(Mr. AKAKA asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. AKAKA. Mr. Speaker, as I read this morning's Washington Post, I was appalled, angered, and saddened to learn of the assassination of Colombia's Supreme Court Justice Hernando Baquero Borda.

I did not know Justice Borda; but his death stirs feelings of remorse because he died helping our country in the drug war. He was murdered because he approved extraditions of drug trafficking suspects to the United States.

I stand here before you to vent my frustrations and anger at a drug war that is out of control—a drug war that we are losing. We see reports of drug crimes committed daily, we learn of citizens at every stratum destroyed by drug abuse, and we hear cries for help

and of despair from addicts. Yet so many are indifferent to the drug problem believing that they are far removed from this ugly cancer, and still others have thrown up their hands in despair.

New research proves that the link between narcotics and lawbreaking is worse than we feared. Here in our Nation's capital, two-thirds of crime suspects tested had used narcotics in the days before their arrest. Nationally, a third of the inmates in Federal prisons are serving time for drug-related violations; and 80 percent of those behind bars admit to having taken drugs. There is no denying that we are all victims of drugs.

We have repeatedly turned to our President for leadership in combating this pervasive disease, but no substantive drug policy has been established. The President is only now awakening to the frightening truths of this problem. Yes; he has increased money for law enforcement, but he has consistently sharply reduced funding for drug education and drug interdiction. Customs Service is just one example. We need a comprehensive plan designed to also curb drug demand and availability.

Congress has waited long enough. I commend our Speaker for his leadership and initiative in bearing arms on this issue. And I congratulate our Majority Leader JIM WRIGHT for his able guidance as he directs the formulation of such a plan. America has had enough.

LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted to:

Mr. WOLF (at the request of Mr. MICHEL), for today, until 1 p.m., on account of attending a funeral.

Mr. PARRIS (at the request of Mr. MICHEL), for today, until 1 p.m., on account of attending a funeral.

Mrs. LLOYD (at the request of Mrs. WRIGHT), for today, after 12:45 p.m., on account of official business.

SPECIAL ORDERS GRANTED

By unanimous consent, permission to address the House, following the legislative program and any special orders heretofore entered, was granted to:

Mr. RAY, today, 5 minutes.

Mr. FRENZEL, today, 5 minutes.

Mr. WEAVER, for 15 minutes, today.

(The following Members (at the request of Mr. SLAUGHTER) to revise and extend their remarks and include extraneous material:)

Mr. GINGRICH, for 60 minutes, on August 4 through August 8.

Mr. LUNGREN, for 60 minutes, on August 5 and August 6.

(The following Members (at the request of Mr. HOYER) to revise and

extend their remarks and include extraneous material:

Mr. ANNUNZIO, for 5 minutes, today.

Mr. COLLINS, for 5 minutes, today.

Mr. RAY, for 30 minutes, today.

Mr. GONZALEZ, for 60 minutes, today, August 4, August 5, August 6, and August 7.

Mr. LIPINSKI, for 5 minutes, on August 5, August 6, and August 7.

EXTENSION OF REMARKS

By unanimous consent, permission to revise and extend remarks was granted to:

(The following Members (at the request of Mr. SLAUGHTER) and to include extraneous matter:)

Mr. SAXTON.

Mr. GREEN.

Mr. HENRY in two instances.

Mr. SCHULZE.

Mr. LAGOMARSINO in two instances.

Mr. COURTER.

Mr. YOUNG of Alaska.

(The following Members (at the request of Mr. HOYER) and to include extraneous matter:)

Mr. HAMILTON in two instances.

Mr. MARKEY.

Mr. ROSTENKOWSKI.

Mr. GARCIA.

Mr. STARK in four instances.

Mr. MONTGOMERY.

Ms. OAKAR in two instances.

Mr. FEIGHAN in two instances.

Mr. DWYER of New Jersey.

Mr. AU COIN.

Mr. FRANK in two instances.

ADJOURNMENT

Mr. WEAVER. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 4 p.m.) under its previous order, the House adjourned until Monday, August 4, 1986, at 12 o'clock noon.

OATH OF OFFICE, MEMBERS, RESIDENT COMMISSIONER, AND DELEGATES

The oath of office required by the sixth article of the Constitution of the United States, and as provided by section 2 of the act of May 13, 1884 (23 Stat. 22), to be administered to Members, Resident Commissioner, and Delegates of the House of Representatives, the text of which is carried in 5 U.S.C. 3331:

"I, A. B., do solemnly swear (or affirm) that I will support and defend the Constitution of the United States against all enemies, foreign and domestic; that I will bear true faith and allegiance to the same; that I take this obligation freely without any mental reservation or purpose of evasion; and that I will well and faithfully discharge the duties of the office on which I am about to enter. So help me God."

has been subscribed to in person and filed in duplicate with the Clerk of the House of Representatives by the following Member of the 99th Congress, pursuant to the provisions of 2 U.S.C. 25:

ALTON R. WALDON, JR., Sixth, New York.

EXECUTIVE COMMUNICATIONS, ETC.

3990. Under clause 2 of rule XXIV, a letter from the Assistant Secretary of the Army (Civil Works), transmitting a report from the Chief of Engineers, Department of the Army, dated September 24, 1984, on Monongahela River navigation system, Pennsylvania and West Virginia, locks and dams 7 and 8, was referred to the Committee on Public Works and Transportation and ordered to be printed.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows: (omitted from the Record of July 31, 1986)

Mr. FUQUA: Committee on Science and Technology. H.R. 4260. A bill to provide the Small Business Administration continuing authority to administer a program for small innovative firms; with an amendment (Rept. 99-646, Pt. III). Ordered to be printed. (Submitted Aug. 1, 1986.)

Mr. DINGELL: Committee on Energy and Commerce. H.R. 4260. A bill to provide the Small Business Administration continuing authority to administer a program for small innovative firms; with an amendment (Rept. 99-646, Pt. IV). Ordered to be printed.

Mr. HAWKINS: Committee on Education and Labor. H.R. 1156. A bill to coordinate and expand services for the prevention, identification, treatment, and follow-up care of alcohol and drug abuse among Indian youth, and for other purposes; with an amendment (Rept. 99-733, Pt. I). Ordered to be printed.

Mr. MONTGOMERY: Committee on Veterans' Affairs. Report of the Committee on Veterans' Affairs pursuant to section 302(b) of the Congressional Budget Act of 1974 (Rept. 99-734). Referred to the Committee of the Whole House on the State of the Union.

Mr. MONTGOMERY: Committee on Veterans' Affairs. H.R. 5047. A bill to amend title 38, United States Code, to eliminate gender-based language distinctions in title 38, United States Code, and to make technical corrections in that title; without amendment (Rept. 99-735). Referred to the Committee of the Whole House on the State of the Union.

SUBSEQUENT ACTION ON A REPORTED BILL SEQUENTIALLY REFERRED

Under Clause 5 of Rule X the following action was taken by the Speaker:

H.R. 4260. Referred to Committee of the Whole House on the State of the Union.

The Committees on Armed Services, Foreign Affairs, and Veterans' Affairs discharged from further consideration of H.R. 4260.

H.R. 4333. Discharged from the Union Calendar; referred to the Committee on Appropriations for a period not to exceed fifteen legislative days with instructions to report back to the House as provided in section 401(b) of Public Law 93-344.

PUBLIC BILLS AND RESOLUTIONS

Under clause 5 of rule X and clause 4 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. RODINO:

H.R. 5316. A bill to amend title 28 of the United States Code to provide for the appointment of additional bankruptcy judges, to provide for the appointment of U.S. trustees to serve in bankruptcy cases in judicial districts throughout the United States, to make certain changes with respect to the role of U.S. trustees in such cases, and for other purposes; to the Committee on the Judiciary.

By Mr. ALEXANDER:

H.R. 5317. A bill to amend the Consolidated Farm and Rural Development Act to direct the Secretary of Agriculture to transfer sufficient funds from amounts authorized for guaranteed loans to amounts authorized for insured loans to meet the continuing need for such insured loans; to the Committee on Agriculture.

By Mr. ARCHER (for himself, Mr. ARMEY, Mr. BARTLETT, Mr. BARTON of Texas, Mr. BOULTER, Mr. CHAPPIE, Mr. CHENEY, Mr. COMBEST, Mr. CRANE, Mr. DANNEMEYER, Mr. DELAY, Mr. DORNAN of California, Mr. DI GUARDI, Mr. DREIER of California, Mr. EDWARDS of Oklahoma, Mr. FIELDS, Mr. GINGRICH, Mr. HUNTER, Mr. LAGOMARSINO, Mr. LEWIS of California, Mr. LOEFFLER, Mr. LOTT, Mr. LUNGREN, Mr. NIELSON of Utah, Mr. PACKARD, Mr. ROBERTS, Mr. SKEEN, Mr. SHUMWAY, Mr. SWEENEY, Mr. THOMAS of California, Mrs. VUCANOVICH, Mr. YOUNG of Alaska, Mr. DUNCAN, and Mr. VANDER JAGT):

H.R. 5318. A bill to amend the Internal Revenue Code of 1954 to repeal the windfall profit tax; to the Committee on Ways and Means.

By Mrs. BENTLEY:

H.R. 5319. A bill entitled the "Federal Employees Optional Early Retirement Act of 1986"; to the Committee on Post Office and Civil Service.

By Mr. BONKER:

H.R. 5320. A bill to amend part B of title XVIII of the Social Security Act to provide for two additional voluntary insurance options for Medicare beneficiaries permitting coverage of certain gaps in Medicare coverage and covering selected outpatient prescription drugs for the treatment of chronic illness; jointly, to the Committees on Ways and Means, and Energy and Commerce.

By Mr. FUQUA (for himself, Mr. WALGREEN, Mr. BROWN of California, Mr. BOEHLERT, Mr. RITTER, Mr. LUNDINE, Mr. MINETA, Mr. LEWIS of Florida, and Mr. WIRTH):

H.R. 5321. A bill to amend the Stevenson-Wyld Technology Innovation Act of 1980 to establish a National Quality Improvement Award, with the objective of encourag-

ing American business and industrial enterprises to practice effective quality control in the provision of their goods and services; to the Committee on Science and Technology.

By Mr. GARCIA:

H.R. 5322. A bill to require national banks and federally chartered thrift institutions to provide advance notice of any proposal to close a branch of such bank or thrift institution to the Comptroller of the Currency or the Federal Home Loan Bank Board, as the case may be, and to customers of such branch, and for other purposes; to the Committee on Banking, Finance and Urban Affairs.

H.R. 5323. A bill to amend the Lanham Act to limit the defense against trademark infringement relating to geographic origin; to the Committee on the Judiciary.

By Mr. GLICKMAN (for himself and Mr. HORTON):

H.R. 5324. A bill to amend the Airport and Airway Improvement Act of 1982 to require airports receiving grants to be in compliance with airport security requirements; to the Committee on Public Works and Transportation.

By Mr. GLICKMAN (for himself and Mr. LIGHTFOOT):

H.R. 5325. A bill to amend the Internal Revenue Code of 1954 to provide that the excise taxes providing revenues for the airport and airway trust fund shall not apply if the unobligated balance in such fund exceeds \$1 billion; to the Committee on Ways and Means.

By Mr. MARLENEE:

H.R. 5326. A bill to eliminate certain customs user fees; to the Committee on Ways and Means.

By Ms. OAKAR (for herself, Mr. OBERSTAR, Mr. ANTHONY, Mr. MURTHA, Mr. BEVILL, Mr. GAYDOS, Mr. STOKES, Mr. FEIGHAN, Mr. FROST, Mr. BROOKS, Mr. MOLLOHAN, Mr. NOWAK, Mr. WALGREN, Mr. MARTINEZ, Mrs. BENTLEY, Mr. RICHARDSON, Mr. DIXON, Mr. TRAFICANT, Mr. FORD of Michigan, and Mr. REGULA):

H.R. 5327. A bill to allow certain steel companies to elect a 15-year carryback of 50 percent of investment tax credit carryforwards in existence as of the beginning of their first taxable year beginning after December 31, 1985; to the Committee on Ways and Means.

By Mr. OLIN:

H.R. 5328. A bill to modify the authority of the Small Business Administration to make disaster loans under section 7(b) of the Small Business Act by providing for a disaster loan program involving guaranteed loans made by private financial institutions; to the Committee on Small Business.

By Mr. SCHULZE:

H.R. 5329. A bill to deny most-favored-nation and preferential tariff treatment to the products of foreign countries that are sources of narcotic and psychotropic drugs and other controlled substances and do not cooperate with the United States in eliminating the production and distribution of those substances; to the Committee on Ways and Means.

By Mr. SPENCE:

H.R. 5330. A bill to require the Secretary of Agriculture to make surplus basic agricultural commodities available without charge to producers of the 1986 crop of such commodities in designated disaster areas; to the Committee on Agriculture.

By Mr. WILSON:

H.R. 5331. A bill to impose additional duties on oil country tubular goods; to the Committee on Ways and Means.

By Mr. YOUNG of Alaska:

H.R. 5332. A bill to amend the Alaska National Interest Lands Conservation Act of 1980 to clarify the conveyance and ownership of submerged lands of Alaska Natives, Native corporations and the State of Alaska; to the Committee on Interior and Insular Affairs.

By Mr. AUCOIN, (for himself, Mr. St

GERMAIN, Mr. GONZALEZ, Mr. BOLAND, Mr. GREEN, Mr. WYLIE, Mr. MCKINNEY, Mr. FOLEY, Mr. AKAKA, Mr. ANDERSON, Mr. ANNUNZIO, Mr. ANTHONY, Mr. APPELEGATE, Mr. BARNES, Mr. BARTLETT, Mr. BARTON of Texas, Mr. BATEMAN, Mr. BEDELL, Mr. BENNETT, Mrs. BENTLEY, Mr. BEVILL, Mr. BIAGGI, Mr. BLAZ, Mr. BLILEY, Mr. BONER of Tennessee, Mr. BONIOR of Michigan, Mr. BORSKI, Mrs. BOXER, Mr. BREAUX, Mr. BROOKS, Mr. BROOMFIELD, Mr. BROWN of California, Mr. BROWN of Colorado, Mr. BRYANT, Mr. BURTON of Indiana, Mrs. BURTON of California, Mr. BUSTAMANTE, Mr. CALLAHAN, Mr. CAMPBELL, Mr. CARNEY, Mr. CARPER, Mr. CHAPPELL, Mr. CHAPPIE, Mr. CLINGER, Mr. COATS, Mr. COBEY, Mr. COELHO, Mr. COLEMAN of Missouri, Mr. COLEMAN of Texas, Mrs. COLLINS, Mr. CONTE, Mr. CONYERS, Mr. COOPER, Mr. COUGHLIN, Mr. CROCKETT, Mr. DANIEL, Mr. DASCHLE, Mr. DAUB, Mr. DE LA GARZA, Mr. DERRICK, Mr. DICKS, Mr. DIOGUARDI, Mr. DIXON, Mr. DORNAN of California, Mr. DOWDY of Mississippi, Mr. DREIER of California, Mr. DWYER of New Jersey, Mr. DYSON, Mr. EMERSON, Mr. ENGLISH, Mr. FAUNTROY, Mr. FAZIO, Mr. FEIGHAN, Mr. FISH, Mr. FLIPPO, Mr. FLORIO, Mr. FOGLIETTA, Mr. FRANK, Mr. FRANKLIN, Mr. FRENZEL, Mr. FROST, Mr. FUQUA, Mr. FUSTER, Mr. GALLO, Mr. GARCIA, Mr. GEJDENSON, Mr. GILMAN, Mr. GORDON, Mr. GRAY of Illinois, Mr. GUARINI, Mr. RALPH M. HALL, Mr. HAMILTON, Mr. HARTNETT, Mr. HATCHER, Mr. HAYES, Mr. HEFNER, Mr. HENRY, Mr. HORTON, Mrs. HOLT, Mr. HOWARD, Mr. HOYER, Mr. HUBBARD, Mr. HUCKABY, Mr. HUGHES, Mr. JONES of North Carolina, Mr. KANJORSKI, Ms. KAPTUR, Mr. KEMP, Mrs. KENNELLY, Mr. KLECZKA, Mr. KOLBE, Mr. KOLTER, Mr. KOSTMAYER, Mr. LAFALCE, Mr. LAGOMARSINO, Mr. LANTOS, Mr. LATTI, Mr. LEHMAN of California, Mr. LENT, Mr. LEVIN of Michigan, Mr. LEVINE of California, Mr. LEWIS of California, Mr. LIGHTFOOT, Mrs. LLOYD, Mrs. LONG, Mr. LUKEN, Mr. LUNDINE, Mr. MCCAIN, Mr. MCCOLLUM, Mr. MCDADE, Mr. MCEWEN, Mr. MCHUGH, Mr. MCKERNAN, Mr. McMILLAN, Mr. MACK, Mr. MACKAY, Mr. MANTON, Mr. MARKEY, Mr. MARTIN of New York, Mr. MARTINEZ, Mr. MATSUI, Mr. MAVROULES, Mr. MAZZOLI, Mr. MILLER of Washington, Mr. MINETA, Mr. MITCHELL, Mr. MOAKLEY, Mr. MOLLOHAN, Mr. MONSON, Mr. MONTGOMERY, Mr. MOORE, Mr. MOORHEAD, Mr. MORRISON of Connecticut, Mr. MRAZEK, Mr. MURPHY, Mr. NEAL, Mr. NELSON of Florida, Mr. NICHOLS, Mr. NIELSON of Utah, Ms. OAKAR, Mr. ORTIZ, Mr.

OWENS, Mr. PACKARD, Mr. PANETTA, Mr. PARRIS, Mr. PEPPER, Mr. PERKINS, Mr. PRICE, Mr. QUILLEN, Mr. RAHALL, Mr. RICHARDSON, Mr. RINALDO, Mr. REID, Mr. RODINO, Mr. ROE, Mr. ROSE, Mr. ROTH, Mr. ROWLAND of Georgia, Mr. SABO, Mr. SAVAGE, Mr. SAXTON, Mr. SCHEUER, Mr. SCHUETTE, Mr. SCHUMER, Mr. SHAW, Mr. SHELLEY, Mr. SHUMWAY, Mr. SKELTON, Mr. SMITH of Florida, Mr. SNYDER, Mr. SOLARZ, Mr. SOLOMON, Mr. SPRATT, Mr. STALLINGS, Mr. STOKES, Mr. STRANG, Mr. STUMP, Mr. SUNIA, Mr. SWINDALL, Mr. TALLON, Mr. THOMAS of Georgia, Mr. TORRES, Mr. TORRICELLI, Mr. TOWNS, Mr. TRAFICANT, Mr. TRAXLER, Mr. VALENTINE, Mr. VANDER JAGT, Mr. VENTO, Mrs. VUCANOVICH, Mr. WALGREN, Mr. WATKINS, Mr. WAXMAN, Mr. WEAVER, Mr. WEBER, Mr. WEISS, Mr. WHEAT, Mr. WHITLEY, Mr. WHITTEN, Mr. WILSON, Mr. WIRTH, Mr. WISE, Mr. WOLF, Mr. WOLPE, Mr. WORTLEY, Mr. WYDEN, Mr. YATRON, Mr. YOUNG of Alaska, Mr. YOUNG of Florida, and Mr. YOUNG of Missouri).

H.J. Res. 692. Joint resolution to designate the week of October 19, 1986, through October 26, 1986, "National Housing Week"; to the Committee on Post Office and Civil Service.

By Mr. GREEN (for himself and Mr. COELHO):

H.J. Res. 693. Joint resolution to designate the week beginning November 16, 1986, as "National Arts Week"; to the Committee on Post Office and Civil Service.

By Mr. SAXTON (for himself and Mr. SMITH of New Jersey):

H. Con. Res. 376. Concurrent resolution expressing the sense of the Congress with respect to reimbursement of Deborah Heart and Lung Center under the program known as the Civilian Health and Medical Program of the Uniformed Services; to the Committee on Armed Services.

By Mr. DORNAN of California:

H. Res. 524. Resolution welcoming Father Lawrence Jenco back to the United States after 18 months in captivity, encouraging those who assisted in securing his release to help in securing the release of the remaining hostages in Lebanon, and for other purposes; to the Committee on Foreign Affairs.

By Mr. DIOGUARDI:

H. Res. 525. Resolution calling upon the President of the United States to implement those recommendations developed by his Blue Ribbon Commission on Defense Management to enhance our national security, which do not require passage of legislation by the Congress; to the Committee on Armed Services.

ADDITIONAL SPONSORS

Under clause 4 of rule XXII, sponsors were added to public bills and resolutions as follows:

H.R. 67: Mr. MCKINNEY.

H.R. 442: Mr. MCKINNEY.

H.R. 669: Mr. CHAPMAN, Mr. WALGREN, Mr. SMITH of Florida, Mr. FRANK, and Mr. SCHUETTE.

H.R. 1136: Mr. MOAKLEY and Mr. LEWIS of Florida.

H.R. 1213: Mr. MATSUI, Mr. MINETA, Mr. TORRICELLI, and Mr. HUNTER.

H.R. 1375: Mr. DYSON.

H.R. 2663: Mr. WHITTAKER, Mrs. JOHNSON, Mr. LELAND, Mr. YOUNG of Alaska, Mr. SOLARZ, and Mrs. MEYERS of Kansas.

H.R. 3842: Mr. LELAND.

H.R. 4142: Mr. SPRATT, Mr. RICHARDSON, Mr. WOLPE, Mr. CRAIG, Mr. RAY, Mr. PERKINS, Mr. BOSCO, Mr. BARTON of Texas, Mr. WRIGHT, Mrs. ROUKEMA, Mr. MARTIN of New York, Mr. ROBERT F. SMITH, Mrs. JOHNSON, Mr. FEIGHAN, Mr. BARTLETT, Mr. MARLENEE, Mr. MCDADE, Mr. FRENZEL, Mr. VOLKMER, Mr. BUSTAMANTE, Mr. DAVIS, Mr. GIBBONS, Mr. SAVAGE, Mr. HEFNER, Mr. ROE, Mr. SUNIA, Mr. DYSON, Mr. BILIRAKIS, Mr. MONSON, Mr. WHITLEY, Mrs. MARTIN of Illinois, Mr. CHAPMAN, Mr. BORSKI, and Mr. ROSE.

H.R. 4183: Mr. LUJAN, Mr. LEVINE of California, Mr. LIPINSKI, Mr. BEREUTER, Mr. MOODY, Mr. CHAPMAN, Mr. NICHOLS, Mr. HILLIS, Mr. ROBINSON, Mr. LUNDINE, Mr. GINGRICH, Mr. DYSON, Mr. WALKER, and Mr. HAMMERSCHMIDT.

H.R. 4197: Mr. ACKERMAN.

H.R. 4671: Mr. BORSKI.

H.R. 4698: Mr. WOLPE and Mr. OWENS.

H.R. 4901: Mr. St GERMAIN, Mr. FAZIO, Mr. MITCHELL, Mr. LEHMAN of Florida, Mr. BIAGGI, Mr. CROCKETT, Ms. KAPTUR, Mr. GARCIA, Mr. TORRICELLI, and Mr. MARTINEZ.

H.R. 4902: Mr. St GERMAIN, Mr. FAZIO, Mr. MITCHELL, Mr. LEHMAN of Florida, Mr. BIAGGI, Mr. CROCKETT, Ms. KAPTUR, Mr. GARCIA, Mr. TORRICELLI, and Mr. MARTINEZ.

H.R. 4903: Mr. St GERMAIN, Mr. FAZIO, Mr. MITCHELL, Mr. LEHMAN of Florida, Mr. BIAGGI, Mr. CROCKETT, Ms. KAPTUR, Mr. GARCIA, Mr. TORRICELLI, and Mr. MARTINEZ.

H.R. 4904: Mr. FAZIO, Mr. SOLOMON, Mr. MITCHELL, Mr. LEHMAN of Florida, Mr. BIAGGI, Mr. CROCKETT, Ms. KAPTUR, Mr. GARCIA, and Mr. TORRICELLI.

H.R. 4934: Mr. EDGAR, Mr. STUDDS, Mr. RICHARDSON, Mr. APPELEGATE, Mr. GIBBONS, Mr. SWIFT, Mr. PANETTA, Mr. GALLO, Mr. WEBER, Mr. STAGGERS, Mr. SAXTON, Mr. CHAPPIE, Mr. BOEHLERT, Mr. SKEEN, Mr. RAHALL, Mr. MOLLOHAN, Mr. REID, Mr. LEVINE of California, Mr. MARTIN of New York, Mr. FRANKLIN, Mr. MONTGOMERY, Mr. HUTTO, and Mr. GUNDERSON.

H.R. 4945: Mr. DAVIS.

H.R. 5047: Mr. EDWARDS of California, Mr. WYLIE, Mr. EDGAR, Mr. HILLIS, Mr. APPELEGATE, Mr. SOLOMON, Mr. SHELLEY, Mr. MCEWEN, Mr. MICA, Mr. SMITH of New Jersey, Mr. DASCHLE, Mr. BURTON of Indiana, Mr. DOWDY of Mississippi, Mr. SUNDQUIST, Mr. EVANS of Illinois, Mr. BILIRAKIS, Ms. KAPTUR, Mrs. JOHNSON, Mr. PENNY, Mr. MOLINARI, Mr. STAGGERS, Mr. RIDGE, Mr. ROWLAND of Georgia, Mr. HENDON, Mr. BRYANT, Mr. ROWLAND of Connecticut, Mr. FLORIO, Mr. GRAY of Illinois, Mr. KANJORSKI, Mr. ROBINSON, and Mr. MCCLOSKEY.

H.R. 5064: Mr. FAUNTROY.

H.R. 5065: Mr. FAUNTROY.

H.R. 5067: Mr. WORTLEY, Mr. BOEHLERT, Mr. HENRY, Mr. MARTINEZ, Mr. MITCHELL, Mr. CROCKETT, Mr. MRAZEK, and Ms. KAPTUR.

H.R. 5080: Mr. ACKERMAN.

H.R. 5213: Mr. SKORSKI, and Mrs. BYRON.

H.R. 5276: Mr. MARTIN of New York.

H.R. 5288: Mrs. BYRON and Mr. WATKINS.

H.J. Res. 127: Mr. MANTON and Mr. MONSON.

H.J. Res. 379: Mr. YOUNG of Missouri, Mr. DE LUGO, Mr. LIPINSKI, and Mr. MACK.

H.J. Res. 512: Mr. BIAGGI, Mr. STRANG, Mr. SAXTON, Mr. KOLTER, Mr. LIVINGSTON, Mr. WEBER, Mr. MCDADE, Mr. SNYDER, Mr. BEVILL, Mr. FROST, Mr. GRAY of Pennsylvania, Mr. RALPH M. HALL, Mr. HEFNER, Ms. KAPTUR, Mr. LOWRY of Washington, Mr. LUKEN, Mr. PERKINS, Mr. RODINO, Mr. BONIOR of Michigan, Mr. BOSCO, Mr.

CARPER, Mr. GEKAS, Mr. DOWDY of Mississippi, Mr. DARDEN, Mr. FEIGHAN, Mr. DE LA GARZA, Mr. WALDON, and Mr. BLAZ.

H.J. Res. 594: Mr. REID.

H.J. Res. 631: Mr. SHAW, Mr. HAYES, Mrs. BENTLEY, Mr. MACK, Mr. MILLER of Washington, Mr. WOLF, Mr. NEAL, Mr. TORRICELLI, Mr. SMITH of Florida, Mr. FASCELL, Mr. HAMILTON, Mr. GIBBONS, Mr. BEILSON, Mr. DYMALLY, Mr. FAZIO, Mr. EVANS of Illinois, Mr. BEVILL, Mr. FLORIO, Mr. MRAZEK, Mrs. JOHNSON, Mr. LIPINSKI, Mr. VANDER JAGT, Mr. MITCHELL, Mrs. BOXER, Mr. OLIN, Mrs. LLOYD, and Mr. DARDEN.

H.J. Res. 654: Mr. KOLBE, Ms. OAKAR, Mrs. BENTLEY, and Mr. SEIBERLING.

H.J. Res. 655: Mr. ACKERMAN, Mr. BONER of Tennessee, Mr. CALLAHAN, Mr. CHAPPIE, Mr. COATS, Mr. DYMALLY, Mr. GILMAN, Mr. HUGHES, Mr. KOSTMAYER, Mr. LANTOS, Mr. LELAND, Mr. LUNDINE, Mr. MOAKLEY, Mr. MOLLOHAN, Mr. MONTGOMERY, Mr. PURSELL, Mr. ROEMER, Mr. TRAKLER, Mr. WAXMAN, and Mr. YOUNG of Florida.

H. Con. Res. 129: Mr. SCHEUER, Mr. MACK, Mr. YOUNG of Alaska, and Mr. ERDREICH.

H. Res. 492: Mr. DELAY, Mr. EDWARDS of Oklahoma, and Mr. PACKARD.

DELETIONS OF SPONSORS FROM PUBLIC BILLS AND RESOLUTIONS

Under clause 4 of rule XXII, sponsors were deleted from public bills and resolutions as follows:

H.R. 4300: Mr. HUGHES.

AMENDMENTS

Under clause 6 of rule XXIII, proposed amendments were submitted as follows:

H.R. 4428

By Mr. McKINNEY:

[18]—At the end of title X of division A (page 239, after line 5), add the following new section:

SEC. 1033. FUNDING OF COAST GUARD DRUG-INTERDICTION PERSONNEL.

Of the funds appropriated for operation and maintenance for the Navy for fiscal year 1987, the sum of \$15,000,000 shall be transferred to the Secretary of Transportation and shall be available only for members of the Coast Guard assigned to duty as provided in section 1421(a) of the Department of Defense Authorization Act, 1986 (Public Law 99-145; 99 Stat. 750).

By Mr. OBERSTAR:

[19]—At the end of title IX of division A (page 214, after line 18), add the following new section:

SEC. 925. SUBCONTRACTOR INFORMATION TO BE PROVIDED TO PROCUREMENT OUTREACH CENTERS.

(a) CONTRACTORS TO FURNISH INFORMATION.—(1) Chapter 142 of title 10, United States Code, is amended—

(A) by redesignating section 2416 as section 2417; and

(B) by inserting after section 2415 the following new section:

"§ 2416. Subcontractor information

"(a) The Secretary of Defense shall require that any defense contractor in any year shall provide to an eligible entity with which the Secretary has entered into a cooperative agreement under this chapter, on the request of such entity, the information specified in subsection (b).

"(b) Information to be provided under subsection (a) is a listing of the name of each appropriate employee of the contractor who has responsibilities with respect to entering into contracts on behalf of such contractor that constitute subcontracts of contracts being performed by such contractor, together with the business address and telephone number and area of responsibility of each such employee.

"(c) A defense contractor need not provide information under this section to a particular eligible entity more frequently than once a year.

"(d) In this section, the term 'defense contractor', for any year, means a person awarded a contract with the Department of Defense in that year for an amount in excess of \$100,000."

(2) The table of sections at the beginning of such chapter is amended by striking out the item relating to section 2416 and inserting in lieu thereof the following new items: "2416. Subcontractor information.

"2417. Regulation."

(b) EFFECTIVE DATE.—Section 2416 of title 10, United States Code, as added by subsection (a), shall take effect on January 1, 1987.

H.R. 5081

By Mr. LEACH of Iowa:

—Page 5, line 1, strike out "\$250,000,000" and insert in lieu thereof "\$200,000,000".

—Page 5, line 3, strike out "on a grant basis for budget support".

—Page 5, beginning in line 1, strike out "\$250,000,000 to be paid before October 1, 1986, to the Government of the Philippines on a grant basis for budget support," and insert in lieu thereof "\$200,000,000 to be paid to the Government of the Philippines before October 1, 1986,"; and page 6, after line 16, add the following:

SEC. 107. EARMARKING ASSISTANCE FOR THE PHILIPPINES FOR FISCAL YEAR 1987.

Of the aggregate amounts made available for the fiscal year 1987 for assistance under chapter 2 of part II of the Foreign Assistance Act of 1961 (relating to grant military assistance), under chapter 4 of part II of that Act (relating to the economic support fund), or under the Arms Export Control Act (relating to foreign military sales financing), not less than \$180,000,000 shall be available only for the Philippines.

—Page 6, after line 16, add the following:

SEC. 107. EARMARKING ASSISTANCE FOR THE PHILIPPINES FOR FISCAL YEAR 1987.

Of the aggregate amounts made available for the fiscal year 1987 for assistance under chapter 2 of part II of the Foreign Assistance Act of 1961 (relating to grant military assistance), under chapter 4 of part II of that Act (relating to the economic support fund), or under the Arms Export Control Act (relating to foreign military sales financing), not less than \$180,000,000 shall be available only for the Philippines.

By Mr. SOLOMON:

—Strike out paragraph (1) of section 102 of the committee amendment and insert in lieu thereof the following:

(1) ECONOMIC SUPPORT FUND.—Assistance under chapter 4 of part II of the Foreign Assistance Act of 1961, \$100,000,000.

H.R. 5294

By Mr. BENNETT:

—Strike out section 521 (page 46, lines 3 through 6).

—Strike out section 522 (page 46, lines 7 through 13).

By Mr. CONTE:

—On page 46, strike lines 7 through 13, and insert in lieu thereof:

SEC. . The Administrator of General Services is directed to use any proceeds from the sale of silver as provided in Section 521 of this Act to purchase materials required to meet the goals of the National Defense Stockpile, and such proceeds may not be used for any purpose except for the purchase of materials in short supply in the National Defense Stockpile.

By Mr. FRENZEL:

—On page 22, on line 12, strike the figure "\$12,000", and insert in lieu thereof the figure "\$11,800".

—On page 59, after line 11, insert the following new section:

"SEC. 623. Notwithstanding any other provision of this Act, each amount, except amounts for the U.S. Customs Service, appropriated or otherwise made available by this Act not required to be appropriated or otherwise made available by previously enacted law is hereby reduced by 3.5 percent."

—On page 59, after Line 11, insert the following new section:

"SEC. 623. Notwithstanding any other provision of this Act, each amount appropriated or otherwise made available by this Act not required to be appropriated or otherwise made available by previously enacted law is hereby reduced by 8.94 percent."

(Amendment in the nature of a substitute to the amendment submitted by Mr. MORRISON of Connecticut)

—On page 59, after Line 11, insert the following new section:

"SEC. 623. Notwithstanding any other provision of this Act, each amount appropriated or otherwise made available by this Act not required to be appropriated or otherwise made available by previously enacted law is hereby reduced by 8.94 percent."

—On page 59, after Line 11, insert the following new section:

"SEC. 623. Notwithstanding any other provision of this Act, each amount appropriated or otherwise made available by this Act not required to be appropriated or otherwise made available by previously enacted law is hereby reduced by 9.76 percent."

By Mr. HUNTER:

—In Title I, On Page 5, Line 16, strike "\$793,000,000" and insert in lieu thereof "\$807,000,000".

—Before the period on page 15, line 2, add the following new proviso:

"Provided further, that none of the funds made available to the Postal Service by this Act may be used to support third class or reduced rates of postage for any organization defined in 39 United States Code 3626(e)."

By Mr. MORRISON of Connecticut:

(Amendment in the nature of a substitute to the amendment offered by Mr. FRENZEL)

—At the end of Title VI, insert the following new section:

"SEC. 623. Notwithstanding any other provision of this Act, each amount appropriated or otherwise made available by this Act, except for those amounts appropriated or otherwise made available for the United States Customs Service and the Internal Revenue Service, and which is not required to be appropriated or otherwise made avail-

able by previously enacted law, is hereby reduced by 9.76 percent."

—At the end of Title VI, insert the following new section:

"Sec. 623. Notwithstanding any other provision of this Act, each amount appropriated or otherwise made available by this Act, except for those amounts appropriated or otherwise made available for the United

States Customs Service and the Internal Revenue Service, and which is not required to be appropriated or otherwise made available by previously enacted law, is hereby reduced by 9.76 percent."